DISTRIBUTION DEVELOPMENT PROGRAM

In Territory of

Public Power Corporation
Electric Power Division

of

GOVERNMENT OF THE KINGDOM OF GREECE

EBASCO SERVICES INCORPORATED
NEW YORK
DECEMBER 1952

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I - SUMMARY

A - PURPOSE

This report presents the recommendation of Ebasco Services Incorporated for an interim and long term program for the distribution of electric power throughout the territory to be served by Public Power Corporation, a generating and transmitting system, to ultimate consumers.

Formal agreement to this program is necessary by the Board of Directors of Public Power Corporation, by the Government of the Kingdom of Greece and by the Mutual Security Agency. The legal situation still requires considerable study and it will very probably be necessary to modify some existing legislation in Greece and the availability of funds for certain purposes should be clarified by MSA.

B - THE DISTRIBUTION OBJECTIVES

The desires of the Government of the Kingdom of Greece and of the Mutual Security Agency in regard to the distribution of electric power are understood to be as follows:

1) To furnish reliable electric service, produced from the indigenous resources of Greece, namely lignite and hydro, to as widespread an area as is practicable.

2) The Public Power Corporation to be a generating and transmitting entity, delivering and selling power at wholesale rates for resale, and, with certain possible exceptions, not selling to ultimate consumers.

3) Distribution of electric power to ultimate consumers to be handled by Distributing Agencies, financially and managerially independent of PPC, but whose construction standards and methods, forms of rate structures (but not necessarily the rates themselves), general accounting and business methods, and some policy objectives are to be coordinated by PPC and are to be the same for all Distributing Agencies.

4) The number of Distributing Agencies to be sufficient to obtain reasonable local autonomy, but each Agency to be of such size as to assure efficient and adequate electric service at reasonable rates.

C - PROBLEMS IN ACHIEVING OBJECTIVES

Three major problems which must be solved before the distribution situation may be considered to be satisfactorily under way are:

1) The course of action to be taken in regard to existing concessions.

2) The creation of Distributing Agencies.

3) The financing of Distributing Agencies.

1 - Existing Concessions

As a result of wars and political unrest the terms of most existing concessions were extended. Effective July 1, 1952, the Ministers of Industry and Finance issued a decision extending privileged concessions for a period of 15 years and 10 months and simple concessions 12 years and 10 months beyond their original termination dates. Under legislation recently enacted by the Greek Parliament, the Public Power Corporation apparently has the right to take over existing concessions and electric properties, whose owners refuse to merge and to adjust their operations otherwise to conform to the recommendations of PPC. However, it is believed that it is undesirable to attempt to follow such practice as a general rule, although there may be some few cases where no other course will produce reasonable results. Nevertheless, it is felt that such action should only be taken as a last resort when all less drastic measures have been exhausted.

It is strongly urged that the rights of concessionaires should be fully protected and that, insofar as possible, individuals now working in the electric utility business in Greece should be encouraged to continue working therein. On the other hand, it is equally strongly urged that public funds be not invested or expended for the inequitable benefit of any group of individuals.

The general feeling among concessionaires, practically all of whom have been interviewed, appears to be lack of confidence in any large Distributing Agency, they being fearful that control from a remote location and by persons having no local interest could easily result in loss of property and income to the concessionaire. Many of the concessionaires would much prefer to retain their present territories, buying power wholesale from PPC and obtaining loans for the rehabilitation of their present property. However,

a considerable percentage of the concessionaires recognize that such an arrangement would be inefficient and that larger agencies would have considerable advantage.

2 - Creation of Distributing Agencies

The principal problems in the creation of Distributing Agencies may be stated as follows:

a) Securing a group of financially sound community leaders (i.e., Board of Directors), responsible to the private or public owners of the enterprise, who will spend the time and effort necessary to organize and provide continuing policy guidance for a going enterprise of power distribution.

b) Developing a private or public legal entity to carry on the power distribution.

c) Financing.

d) Establishing and maintaining a competent technical organization to develop, operate and maintain a power distribution system and business.

The only individuals who are experienced in the utility business in Greece are, obviously, those now in that business somewhere in the country. The capital available for investment in Distributing Agencies now is largely represented by existing investment in utilities throughout the territory served by PPC.

It is therefore believed that one likely source of individuals and capital to form successful Agencies lies among existing concessionaires and their organizations. However, complete opportunity to offer proposals for the formation of Distributing Agencies should be given to all competent organizations such as corporations, groups of corporations and institutions, consumers cooperatives, business cooperatives and public cooperatives. Every offer should receive fair and equitable consideration, and approval should be given to the proposal that gives most promise of resulting in an agency that will be financially sound and well operated, that will give good service, and charge most reasonable rates.

Should no satisfactory proposal be received, the remaining alternative is construction, ownership and operation of the distribution facilities by

the PPC. This latter alternative is contrary to PPC's Statement of Policy which is Appendix A of this report and should only be resorted to if all other satisfactory solutions fail to materialize, and then only during an interim period until a local agency can be developed.

Loans by PPC to Distributing Agencies should not be greater than 75% of the capital assets of the Agency, otherwise investment would be too small to justify the control it would have, and it would be more in the public interest for PPC to own and operate the property until proper financing of a Distributing Agency could be arranged.

The problems in the financing of Distributing Agencies are primarily two, namely:

1) To attract capital for the formation of the initial Distributing Agencies.

2) To attract capital for expansion of Agencies subsequent to the cessation of loans by MSA or other foreign Agencies.

D - RECOMMENDATIONS

1 - Size of Distributing Agencies

The ultimately desirable number of Distributing Agencies is five, namely:

a) Northern Greece (Macedonia and Thrace)

b) North Central Greece (Thessaly)

c) South Central Greece

d) Western Greece

e) Southern Greece (The Peloponessus)

Considerable thought and study have been given to the possibility of initially having more than five Distributing Agencies with the hope of later merging them into the more desirable larger agencies. It is recommended that such interim small agencies be NOT formed because they would be inefficient, and because it is believed that when once formed it would be difficult to effect the desired merger.

It is therefore recommended that the Distributing Agencies be limited to the ultimately desirable territories listed, five in number, as defined in greater detail in Appendix B, and that Distributing Agencies be formed by one means or another for such territories.

2 - Headquarters Organization of New Distributing Agencies

Whether privately or publicly controlled, each Distributing Agency would have at its head a Board of Directors. The method of electing the Directors would vary with type of Agency. However, no matter how chosen, it is recommended that Directors be paid only for attendance at Board Meetings, which would normally be held once a month. Directors' fees should be substantial to attract highly capable men.

Each Distributing Agency should have a General Manager, who, until July 1955, would be an employee of Ebasco Services Incorporated, who would have the responsibility of training a Greek approved by the Board of Directors of the Distributing Agency to take over the responsibilities of General Manager on termination of the Ebasco contract with the Government of the Kingdom of Greece as now in effect or as may be extended.

Under the General Manager of each Distributing Agency would be an organization consisting normally of the following:

Commercial Manager
General Superintendent
Comptroller
Engineers, as required
Accountants, as required
General Storekeeper
Purchasing Manager

Some of these positions would be initially filled by Ebasco employees and one of the principal duties of such Ebasco personnel would be to train Greek nationals to fill such positions.

During the term of the Ebasco contract the Chairman of the Board would be the Ebasco employee acting as General Manager of the Agency. After the termination of the Ebasco contract the Chairman of the Board of the Agency would be one of the Directors, who would not be General Manager of the Agency.

The Agency Headquarters Office would handle all Agency matters which could be most efficiently centralized, such as machine billing, machine accounting, central warehouse for slow moving materials and spare equipment, etc. However, each major city in the Agency territory would have its own

Local Manager, who would have direct control of local operations, under the general guidance of the Agency General Manager and General Superintendent. Each such major city would be provided with an adequate force of employees and supply of fast-moving standard materials to be self-contained for normal operation. For major construction the local forces would often be augmented by crews from Agency Headquarters.

3 - Creation of Distributing Agencies

A Distributing Agency may be privately controlled, publicly controlled or controlled by a combination of private and public Directors.

It is the responsibility of PPC to actively forward the formation of Distributing Agencies, and it is the purpose of this report to provide definite information on which competent individuals or organizations of any nature, private or public, can submit proposals to form Distributing Agencies. Such detailed information is given in Appendices to this report.

APPENDIX A - Statement of Policy on Distribution of Electric Energy. Adopted by the Board of Directors of PPC on June 8, 1951.

APPENDIX B - Areas to be covered by each Distributing Agency.

APPENDIX C - Required qualifications of applicants for approval as Distributing Agencies and procedures for submitting applications.

APPENDIX D - Terms and conditions under which loans may be granted by PPC to Distributing Agencies.

APPENDIX E - Rates and regulations covering the sale of electric service by PPC for Resale.

APPENDIX F - Regulations covering the basis for determining rates to be charged by Distributing Agencies.

APPENDIX G - Service rules and regulations.

APPENDIX H - Acquisition of existing distribution facilities.

APPENDIX I - Forms and terms of concessions to be granted Distributing Agencies on approval by PPC and with appropriate legislation.

APPENDIX J - Draft of recommended legislation to enable this Plan to be made effective.

Incorporated by reference and available on request to interested parties, are the following large volumes which will be of considerable interest to persons desiring to form Distributing Agencies.

Standards for Electric Distribution Construction.

Manual of Accounting Practices. Systems and Methods to be used by Distributing Agencies.

II - TYPICAL DISTRIBUTING AGENCY

It is required that the equity capital of a Distributing Agency be not less than 25% of the total capitalization of the Agency.

One source of capital is the present investment of individuals, corporations or public agencies in existing electric distribution systems. Should several such utilities wish to merge themselves into a Distributing Agency, it is possible that the required 25% investment could be met entirely or in large part by the sale to the Distributing Agency of existing property. The reasonable purchase of such existing property would be determined by the terms of Appendix H and in accordance with that Appendix, the stock of the Distributing Agency would be issued to the previous owners of the existing properties in exchange for deeds transferring titled to all the existing properties to the Agency. In addition, if total reasonable purchase price of the existing properties should be less than 25% of the required total capitalization, including loans by PPC, then additional stock of the Distributing Agency would be issued for cash to bring the total capital up to not less than 25% of total capitalization.

The remaining capital requirements of the Agency, not to exceed approximately 75% of total capitalization, would be loaned by PPC for mortgage bonds of the Agency. In actual practice, PPC would usually contract the necessary distribution construction and reconstruction, keeping books of the cost thereof and later transferring title to the Distributing Agency in exchange for bonds of value equal to such cost. Should the Agency have a sufficient construction force, PPC might, at its discretion, exchange cash and materials for bonds, thus permitting the Agency to do all or part of its own construction.

The Distributing Agency would have the right to issue common stock or other approved types of securities, to sell same for cash to investors and to use the cash so obtained to extend its facilities as it might desire, so long as bonded indebtedness would not exceed 75% of total capitalization.

The mortgage bonds issued by the Distributing Agency to PPC would bear 4% annual interest, payable quarterly, for a term of 30 years. If interest payments are made when due, the Agency would have full control of its

activities during the life of the bonds and on repayment of the principal sum at the end of 30 years would own its property free of debt. In the event the Agency defaulted on interest payments PPC would foreclose its mortgage bonds, temporarily operate the Agency itself and attempt to form a new Agency.

It is possible that some existing utilities would not desire to join a Distributing Agency. In such an event, the existing utilities could sell their facilities to the Agency for cash for an amount not greater than the reasonable purchase price thereof, determined under the principles of Appendix H. Should an existing utility desire not to join the Distributing Agency nor sell out for cash, it could continue in business under the terms of its concession and Greek laws but would not be eligible for a loan by PPC. Should the PPC system have a surplus of power, such existing utility would be allowed to buy power from PPC or from a Distributing Agency under the terms and conditions of Appendices E and F, but in the event that PPC does not have a surplus of power, Distributing Agencies would have preference and sales to non-agency utilities would be restricted or prohibited.

A major problem of any Distributing Agency is the raising of capital to pay for extensions and additions to its facilities to supply growing load. Distributing Agencies must maintain good earnings on the investment represented by common stock or other recognized securities in order to attract additional equity capital. Regulation of such earnings is by three methods, namely:

a) Regulation of rates by PPC.

b) Efficiency of management of the Distributing Agency.

c) Regulation of earned surplus by PPC.

A - REGULATION OF RATES BY PPC

PPC should establish rates for the Distributing Agency which with efficient management will provide a standard dividend on common stock of 10% per year.

B - EFFICIENCY OF DISTRIBUTING AGENCY MANAGEMENT

With net earnings sufficient to permit a dividend of more than 10% per year on the common stock, which in the opinion of PPC resulted from

good management, dividends on common stock up to but not more than 12% per year may be allowed.

With poor management, PPC will not approve rate increases to bring the common dividend up to 10%, and recourse of common stockholders will be to improve the management.

C - REGULATION OF EARNED SURPLUS BY PPC

With good management and growing load, earnings on common stock may be sufficient to permit dividends on the common stock in excess of 12% per year, in which event PPC will decide whether a rate reduction is desirable or whether the excess earned surplus should be permanently added to capital, which in the first several years will probably be more desirable than a rate reduction.

D - ACQUISITION OF EXISTING UTILITIES

Existing electric utilities in the Area could be acquired by the Distributing Agency in the following ways:

a) Purchase for cash, for an amount not to exceed reasonable purchase price as discussed in Appendix H.

b) Acquisition under the terms of the concession of the existing utility and Greek law.

E - METHOD OF PAYMENT FOR EXISTING UTILITIES

Existing Utilities in the Distributing Agency territory could join the Agency, receiving common stock or other approved securities in the Agency for the reasonable purchase price of their property, or cash not to exceed such reasonable purchase price.

F - ALTERNATIVE FOR EXISTING UTILITIES

Existing utilities could continue in business under the terms of their concessions and Greek law, and could buy electric service from PPC or an Agency under the conditions described in Appendices E and F, but such utilities could not obtain loans from PPC.

III - OPERATION BY PPC

In the event that Distributing Agencies as discussed under Section II preceding, (or some other satisfactory arrangement of public or private enterprise or a combination of both) cannot be formed in a reasonable time the remaining alternative, which is undesirable, is for PPC to build, own and operate the distribution systems.

In such case PPC would buy the property of those existing utilities willing to sell in accordance with the procedure outlined in Appendix H and would acquire other existing utilities from time to time under the terms of the concessions and Greek law. Until such time of taking over existing utilities PPC would sell electric service to them, should they desire to buy such services under short term contracts. PPC would not loan money to existing utilities.

Under such conditions PPC would set up Division offices in each of the territories, which would otherwise have been assigned to Distributing Agencies and would staff and operate each Division in the same manner as would have been required had Distributing Agencies been formed. The Division Managers would report to the General Manager of PPC and control of the entire system would be by the Board of Directors of PPC. Efforts to form Distributing Agencies would, of course, continue, and distribution operation by PPC would be considered as a temporary expedient until such a Distributing Agency could be formed.

APPENDIX A

STATEMENT OF POLICY ON DISTRIBUTION OF ELECTRIC ENERGY

APPENDIX A

P U B L I C P O W E R C O R P O R A T I O N

S T A T E M E N T O F P O L I C Y O N D I S T R I B U T I O N O F E L E C T R I C E N E R G Y

(Resolution of the Board of Directors, June 8th, 1951)

A T H E N S
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PUBLIC POWER CORPORATION

STATEMENT OF POLICY ON DISTRIBUTION OF ELECTRIC ENERGY

(Resolution of the Board of Directors, June 8th, 1951)

It is the Policy of the Public Power Corporation, consistent with the general policy of the State for the decentralization of economic activity and administration, that responsibility for the distribution of P.P.C. power to ultimate consumers be vested in local public or private agencies, locally owned, managed and operated, as soon as such agencies can be organized and can secure the services of competent and adequately trained personnel to assume this responsibility. Such agencies should be large enough and should serve a sufficient number of consumers so that, taking into consideration all applicable technical conditions, they can operate most economically and efficiently.

To the maximum extent possible, such approved local distributing agencies should be established as going concerns before P.P.C. power initially becomes available. Where this is not possible, P.P.C. may either sell power wholesale to existing distributing agencies or may acquire, reconstruct, own and operate distribution facilities and distribute power directly to the ultimate consumer; in either case such arrangements will be only for temporary periods, pending the establishment of approved local distributing agencies.

To the extent that funds are available, it will be the policy of P.P.C. to undertake the expansion and rehabilitation of existing distribution facilities and to make loans for these purposes in order to promote the formation and aid in the development of approved local distribution agencies.

In order to qualify as an approved distributing agency, such agency must fulfill the following requirements:

1. If it is a public agency, it must be a corporation owned by a municipality or a community, or a duly authorized group of municipalities and/or communities, or other duly authorized power distribution districts; if it is a private agency, or an agency of public and private ownership, it must be a cooperative or a corporation existing under Greek law and

legally competent to undertake the required functions and to assume the required obligations.

2. It must be the holder of a patented license, concession, or other authorization issued after certification by P.P.C. of compliance with its policies and regulations. In the case of a private corporation or cooperative, such concession must provide for the devolution of its properties and rights to P.P.C. on termination of such rights, and upon payment of prescribed compensation.

3. It must agree to acquire from the existing owners, if possible, or from the P.P.C., on the basis of fair compensation, all electric distribution facilities in the area for which it is the approved distributing agency and which it does not already own.

4. It must enter into a long term contract for the purchase power at wholesale from the P.P.C. and agree to resell such power to consumers in its area at the lowest possible rates consistent with total costs, including depreciation and a reasonable return on the investment in the enterprise, and without unreasonable discrimination between consumers. Such contract must contain reasonable provisions regarding standards of facilities and service, availability of P.P.C. technical services, accounting and reports, and initial rates for the purchase and for the resale of electric energy, together with definition of procedures for adjusting such purchase and resale rates.

5. Such long term purchase contract will also provide for the necessary initial reconstruction and expansion (not already completed) of the existing facilities either by P.P.C. or by the distributing agency with the assistance of P.P.C. technical services and funds; and it will contain provisions to assure that the distributing agency will have sufficient financial resources to provide funds for further expansion of the facilities thereafter, as required, with the assistance of P.P.C. technical services.

6. It must agree, during the term of the Ebasco Management Agreement of July 20, 1950, or any extension thereof, to permit P.P.C. to perform the management functions and to train Greek personnel for its distribution system in accordance with the terms of Part II of the Ebasco Agreement.

APPENDIX B

APPROVED DISTRIBUTION AREAS

A P P E N D I X B

Approved Distribution Areas

1. In accordance with the Statement of Policy on Distribution of Electric Energy adopted by Resolution of the Board of Directors of the Public Power Corporation June 8, 1951, and specifically the principle laid down therein that distributing agencies "should be large enough and should serve a sufficient number of consumers so that, taking into consideration all applicable technical conditions, they can operate most economically and efficiently," listed below is the general description of the areas that are recommended as appropriate for initial operation by approved Distributing Agencies:

a) Northern Area - The Nomoi Florina, Kastoria, Kozani, Pieria, Pellis, Hemathia, Kilkis, Salonica, Chalkidikis, Serres, Drama, Kavalla, Xanthi, Rodopi and Evros.

b) North Central Area - The Nomoi Trikala, Larissa, Karditsa, and Magnesia.

c) South Central Area - The Nomoi Phthiotis, Phokis, Beotia, Eubea and that portion of the Nomos of Attica that is not served by Athens Piraeus Electricity Company.

d) Western Area - The Nomoi Thesprotia, Ioannina, Preveza, Arta, Evrytania and Aitolia-Akarnania.

e) Southern Area - The Nomoi Achaia, Argolis-Corinthia, Helia, Messinia, Arkadia and Lakonia.

2. The present approved power program does not include provisions for the supply of all towns, villages and communities in the areas described in paragraph 1. Until electric service can be made available from the national power system to all of the above described areas, only the areas specifically described below can be served under the presently authorized power program. A single Distributing Agency is recommended to provide this service in each such area. In addition to the major towns, other towns, villages, communities and irrigation areas, which can be economically served from the 15-KV distribution system in each location, will be served.

a) Northern Area - The major towns in this area to be served are: Edessa, Naoussa, Verria, Yannitsa, Salonica and its suburbs, Serres, Drama, Kavalla and Xanthi.

b) North Central Area - The major towns in this area to be served are: Trikala, Larissa, Karditsa and Volos.

c) South Central Area - The major towns in this area to be served are: Lamia, Levadia, Thebes, Chalkis and Aliveri.

d) Western Area - The major towns in this area to be served are: Yannina, Fillipos, Preveza and Arta.

e) Southern Area - The major towns in this area to be served are: Patras, Aegion, Xylocastron, Kiate, Vrachati, Corinth, Loutraki, Nauplion, Tripolis, Tropea, Kalamata and Messini.

3. The portion of the Nomos Attica in which the sole right to generate, transmit, transform and distribute electricity has been conceded to the Athens Piraeus Electricity Company Limited by Article 1 of its concession dated 14 October 1925 is specifically excluded from the distribution areas recommended above.

4. The purpose in defining the ultimate distribution areas is to establish definite goals toward which to work in developing local Distributing Agencies, public or private, which "can operate most economically and efficiently." No electric service is now available in rural sections and in some towns in these areas. And since the Public Power Corporation is required by Article 1 Section 2 of Law No. 1468/1950 to operate "according to the rules of private economy" - i.e. to provide service only to areas in which the volume of business is sufficient to pay the cost of such service without adding unduly to the cost of service in other areas - it is not expected that such service can be made available in any substantial number of additional rural sections and towns on completion of the presently authorized program of development for which the Public Power Corporation now has funds available and which it is authorized to carry out.

It is not expected that all of the sections and towns in the specifically described distribution areas that now have electric service, or that can be supplied "according to the rules of private economy" upon the completion of the present initial program of development, will necessarily be served initially by the Distributing Agencies approved for the described distribution areas in which they are located. But every existing Distributing Agency in each such area that can be served from the 15-KV system

of the approved Distributing Agency "according to the rules of private economy" should have the opportunity to become a part of the approved Distributing Agency for such area, upon complying with the applicable terms and conditions to be prescribed by Regulation of the Public Power Corporation.

An existing electric utility which does not become a part of the approved Distributing Agency for the area in which it is located may, at the discretion of the PPC, have the opportunity to buy power wholesale from the system of the Public Power Corporation or from an approved Distributing Agency, in accordance with the applicable terms and conditions to be prescribed by PPC. As expressed in the Statement of Policy on Distribution of Electric Energy (Appendix A), however, any arrangements for selling power wholesale to existing electric utilities, which have not become part of an approved Distributing Agency, will be "only for temporary periods pending the establishment of approved local Distributing Agencies"; and "to the extent that funds are available, it will be the policy of the Public Power Corporation to undertake the expansion and rehabilitation of existing distribution facilities and to make loans for these purposes, in order to promote the formation and aid in the development of approved local Distributing Agencies." It is expected that adherence to these policies will make it advantageous for existing electric utilities to become part of the approved Distributing Agencies for the areas in which they are located.

5. The right to modify these approved distribution areas by changing the boundaries of the areas, by transferring a portion of one area to another area, should be specifically reserved by the Public Power Corporation. Any such modification should be made by the Corporation either upon its own motion, or upon an approved application for such modification either by an existing electric utility or by an approved Distributing Agency. In either case, such modification should be made after public notice and hearing, by amendment of previous determinations.

APPENDIX C

QUALIFICATIONS OF APPROVED DISTRIBUTING AGENCIES AND REQUIREMENTS FOR APPROVAL

A P P E N D I X C

Qualifications of Approved Distributing Agencies and Requirements for Approval

1. This Appendix is intended to propose the terms and conditions upon which Distributing Agencies, public or private, should be approved by the Public Power Corporation and to establish procedures for the qualification of applicants for approval and for the approval of such agencies.

2. The terms, conditions and procedures referred to are included in the remaining parts of this Appendix as follows:

I Qualification of Applicants for Approval as Approved Distributing Agencies

II Requirements for Approval as Approved Distributing Agencies

I

Qualification of Applicants for Approval as Approved Distributing Agencies

3. After the Public Power Corporation has given public notice of its readiness to receive applications for approval as approved Distributing Agencies for the distribution areas designated in such notice, in accordance with the procedure prescribed in Part II, hereof, such applications should be received only from applicants who fulfill the following qualifications:

a) If the agency is to be a public agency, the applicant should be a municipality or a community, or a group of municipalities and/or communities, or a power distribution district, proposing to organize a publicly owned corporation under Greek Law to act as such approved Distributing Agency. In any case the application should be duly authorized by the council or other appropriate body of such municipality, community or power distribution district, or of each of them joining in the application. Such public applicant should also submit proof satisfactory to the Public Power Corporation that if the application is accepted and approved, it or the proposed publicly owned corporation will be legally competent under Greek municipal law to undertake the required functions and

to assume the required obligations of an approved Distributing Agency.

b) If the agency is to be a private agency, the applicant should be a cooperative or a corporation existing under Greek Law, or a group of individuals and/or corporations proposing to organize a cooperative or a corporation under Greek Law to act as such approved Distributing Agency. Such private applicant should also submit proof satisfactory to the Public Power Corporation that it or the proposed cooperative or corporation will be legally competent to undertake the required functions and to assume the required obligations of an approved Distributing Agency, including (if the Law is finally determined to require it) proof of the express consent of each and every local self-government unit (Municipality or Community) having jurisdiction over any portion of the approved distribution area.

II

Requirements for Approval as Approved Distributing Agency

4. The Public Power Corporation should give public notice, from time to time, by publication in a newspaper of general circulation in the area or areas affected, of its readiness to receive applications for approval as approved Distributing Agencies for the distribution area or areas specified in such public notice, for the time and place for the receipt of such applications, and of the period of examination and analysis of applications submitted, after which public hearing on such applications will be held. Applications should thereupon be received from applicants complying with the qualifications proposed in Part I, hereof.

5. Every such application should be for approval as the approved Distributing Agency for an entire distribution area as defined in Appendix B hereof, and any amendments thereof, and no application should be considered for a part or parts of any such area.

6. Every such application should effectively obligate the applicant and the approved Distributing Agency, if approval is granted on such application, to the satisfaction of the Public Power Corporation, as follows:

a) To apply for a patented license, concession or other appropriate authorization, giving the approved Distributing Agency the sole right to distribute electricity for sale in its distribution area, subject to the limitations of concession agreements already concluded with third parties and still in operation. If the approved Distributing Agency is a private corporation or a cooperative, such concession or other authorization should provide for the devolution of its properties and rights to the Public Power Corporation or its designee upon termination of such rights, upon payment of prescribed compensation.

b) To acquire from existing owners, or from the Public Power Corporation, on payment of fair compensation determined by negotiation or by applicable purchase rights under existing concession agreements, all electric distribution facilities in the distribution area of the approved Distributing Agency which the Public Power Corporation shall determine to be capable of supply "according to the rules of private economy."

c) In the case of privately owned Distributing Agencies, to pay for the facilities acquired by the issue of its mortgage bonds and/or debentures and/or notes paying a reasonable rate of interest and providing for the repayment of the debt after a reasonable period of years, as approved by the Public Power Corporation, to such an extent that such indebtedness, in addition to any existing indebtedness, which with the approval of the Public Power Corporation, may not concurrently be discharged, the total indebtedness (other than current amounts payable in the ordinary course of operations) will not exceed approximately 75 per cent of the total capitalization corresponding with the sum of such indebtedness plus equity capital; and to pay the remainder of such cost, by the issue

of its capital stock or by payment in cash out of capital funds secured through the issue of its capital stock to such an extent that its equity capital will be approximately 25 per cent of its total capitalization.

d) To construct and operate all 15-kv feeders from the PPC substation or substations as required and to reconstruct, expand and operate the distribution facilities so constructed and acquired to conform to the standards prescribed by the Public Power Corporation, with the assistance of Public Power Corporation technical services and funds; and to pay for such construction, reconstruction and expansion in the same manner as is prescribed in subparagraph c of this paragraph 6 for repayments of the cost of distribution facilities acquired.

e) To enter into a long-term contract with the Public Power Corporation for the purchase of power at wholesale from the Public Power Corporation, at rates fixed by the Public Power Corporation "according to the rules of private economy" - i.e., estimated to yield revenues sufficient to cover its operating and maintenance expenses, reserves for depreciation, amortization of debt, amortization of capital and contingencies and interest and a reasonable return on capital. Such contract should also require that the approved Distributing Agency will resell such power to consumers in its area without unreasonable discrimination between consumers, and at reasonable rates consistent with operation "according to the rules of private economy." All such resale rates and all changes therein to be subject to approval by the Public Power Corporation.

f) To agree that such long-term power purchase contract shall also contain reasonable provisions to be defined by PPC Regulations, regarding standards of facilities and service, availability and utilization of PPC technical services, accounting and reports, initial rates for purchase and resale of electric energy, and procedures for adjusting such purchase and resale rates.

g) To agree that, during the term of the Ebasco Management Agreement dated July 20, 1950, or any extension thereof, the Public Power Corporation shall perform the supervisory management functions and train Greek personnel for the operation of the approved Distributing Agency in accordance with the terms of Part II of the Ebasco Agreement.

7. If the applicant, or any of the municipalities, communites, distribution districts, individuals, corporations or cooperatives joining in an application is the owner of any distribution facilities which it is proposed to sell to the proposed approved Distributing Agency, and which the agency will be obligated to acquire in accordance with the terms of this Regulation, the applicant should supply with the application complete information regarding the ownership and the description of such property, the nature of the title held by the owner, the mortgage or other encumbrances on such property and the cost at which it is proposed that the approved Distributing Agency shall acquire such property. The applicant should also furnish with the application proof satisfactory to the Public Power Corporation that by utilization of the mortgage bonds and/or debentures and/or notes and/or capital stock and/or cash which the approved Distributing Agency will pay for the acquisition of such property, and other designated resources at the disposal of the owner, all mortgage and other encumbrances on such property can be satisfied and that the property will be delivered to the approved Distributing Agency free and clear of all encumbrances, except as the Public Power Corporation may approve.

8. After the expiration of the period of examination and analysis of the applications submitted, as specified in the public notice inviting such applications, a public hearing should be held at a time and place fixed by the Public Power Corporation, of which public notice should be given by publication in a newspaper of general circulation in the area or areas affected. At such public hearing, every applicant whose application has been received should have the right to be heard, and with the approval of the Public Power Corporation, every other interested party, including existing utilities, public authorities and others. Such hearing may be continued by the Public Power Corporation from time to time. After the termination of such hearing, the Public Power Corporation should approve

that application which, in its opinion, will provide the greatest advantage to the public interest, taking into account the preference to municipalities, communities and cooperatives prescribed by law, and should reject all other applications. However, should none of the applications be sufficiently in the public interest, Public Power Corporation should have the right to reject all applications.

APPENDIX D

LOANS TO APPROVED DISTRIBUTING AGENCIES

A P P E N D I X D

Loans to Approved Distributing Agencies

1. This Appendix is intended to prescribe the purpose for which and the terms and conditions upon which it is recommended that loans will be made to approved Distributing Agencies by the Public Power Corporation.

2. The purposes for which loans will be made to approved Distributing Agencies are as follows:

a) The acquisition of existing distribution facilities and related alternating current generating facilities at reasonable purchase prices approved by the Public Power Corporation from existing utilities which become part, or effectively bind themselves to become part, of an approved Distributing Agency.

b) The acquisition of existing distribution facilities and related A.C. generating facilities at reasonable purchase prices approved by the Public Power Corporation from existing utilities that do not become part, and do not effectively bind themselves to become part, of an approved Distributing Agency.

c) The construction of 15-kv feeders from the substation or substations at which power is purchased wholesale from the Public Power Corporation to the points of delivery to 15-kv power customers, to other utilities for resale and to transformers from which low voltage service is distributed, as required in accordance with the plans and construction standards approved by the Public Power Corporation.

d) The expansion and reconstruction of the low voltage distribution networks acquired by the approved Distributing Agency and to existing utilities that effectively bind themselves to become a part of an approved Distributing Agency in accordance with the plans and construction standards approved by the Public Power Corporation.

3. No loans should be made for any purposes to any utility that does not become part, or does not effectively bind itself to become part, of an approved Distributing Agency; and no loans should be made to an approved Distributing Agency to finance loans by such approved Distributing Agency

for any purpose to any utility that does not become part, or does not effectively bind itself to become part, of an approved Distributing Agency.

4. The amount of the loan for which application may be made by an approved Distributing Agency to the Public Power Corporation should not be more than the amount which, will result in a total indebtedness of approximately 75 per cent of the total capitalization.

5. Every application for a loan submitted pursuant to this Regulation should show clearly the purpose for which the loan is requested. If it is for the purposes of financing the acquisition of existing facilities, it should state the description of the facilities to be acquired, the basis of arriving at the reasonable purchase price and reference to the action of the Public Power Corporation approving such reasonable purchase price. If it is for the purpose of financing the construction of 15-kv feeders and/or the expansion and reconstruction of low voltage networks it must either request that the work be done by the Public Power Corporation for the account of the approved Distributing Agency, or else must include the plans and specifications for doing the work and the estimated cost of labor and materials in sufficient detail to permit checking and approval by the Public Power Corporation.

6. All loans made to approved Distributing Agencies, on applications approved by the Public Power Corporation, should be disbursed in the following manner:

a) If the loan is for the purpose of financing the acquisition of existing distribution facilities, by payment in cash either to the approved Distributing Agency or to the owner of the facilities acquired for the account of the approved Distributing Agency, as may be determined by the Public Power Corporation.

b) If the loan is for the purpose of financing the construction of 15-kv feeders and/or the expansion and reconstruction of low voltage networks, by payment in cash for the account of the approved Distributing Agency as the work progresses to the contractor or contractors to whom such construction work is let on the basis of competitive bids by the Public Power Corporation or by the approved Distributing Agency with the approval of the Public Power Corporation. If the approved

Distributing Agency includes an existing utility with an organization and experience which meet the requirements specified by the Public Power Corporation for qualification of bidders to perform such construction work, then the approved Distributing Agency may submit a competitive bid for performing the work, and if the work is awarded to it, such payments will be made in cash to the approved Distributing Agency, as the work progresses. In an exceptional case, if the Public Power Corporation determines that an approved Distributing Agency has an exceptionally competent and experienced construction organization, the Public Power Corporation may approve the carrying out of the construction work by the approved Distributing Agency on the basis of reimbursement of cost without requiring the submission of competitive bids, in which case, also, payment will be made in cash, as the work progresses, to the approved Distributing Agency.

7. The terms and conditions of loans by the Public Power Corporation to approved Distributing Agencies should be as follows:

a) Interest will be at the rate of 4 per cent per annum payable quarterly on the first business day of January, April, July and October.

b) If the purpose of the loan is to finance the acquisition of existing distribution facilities, the construction of 15-kv feeders or the expansion and reconstruction of low voltage network, the approved Distributing Agency shall execute and deliver to the Public Power Corporation a first mortgage on all such property to be owned by it as a result of such acquisition and/or construction to secure the repayment of the principal of the loan within a period approved by the Public Power Corporation and not more than 30 years from the date of execution of the mortgage.

8. In case of default in any payment of interest and amortization which has become due on any loan by the Public Power Corporation to an approved Distributing Agency, secured by a mortgage on the property and facilities of such approved Distributing Agency, the Public Power Corporation should

thereupon cancel its approval of the approved Distributing Agency, and take possession of the property and operate it on a temporary basis. The Public Power Corporation should concurrently give public notice, by publication in a newspaper of general circulation in the area affected, of its readiness to receive applications for approval of a new approved Distributing Agency for the distribution area involved. Upon approval of such new approved Distributing Agency in accordance with the procedure prescribed in Appendix C, hereof, the Public Power Corporation should transfer the distribution facilities of which it has taken possession and which it has operated on a temporary basis to such new approved Distributing Agency on the terms and conditions prescribed in Appendix J, Acquisition of Existing Facilities, hereof, and should provide financial assistance by loans in accordance with paragraph 2 to 7 inclusive of this Appendix D, Loans to Approved Distributing Agencies.

APPENDIX E

PUBLIC POWER CORPORATION WHOLESALE RATES FOR RESALE

A P P E N D I X E

PPC Wholesale Rates for Resale

It is recommended that the Public Power Corporation should furnish electric service at wholesale, to approved Distributing Agencies and to existing electric utilities that have not become part of approved Distributing Agencies, for resale to ultimate consumers.

It is recommended that the Public Power Corporation sell power wholesale, on a long term contract basis, only to approved Distributing Agencies and to existing electric utilities that have effectively bound themselves to become part of approved Distributing Agencies, for resale to ultimate consumers.

It is also recommended that in allocating available capacity, preference be given to approved Distributing Agencies and that, only if capacity is available after requirements of approved Distributing Agencies have been provided for, the Public Power Corporation or the approved Distributing Agency sell power wholesale on a short term basis to existing electric utilities that can be economically connected to its lines, but which do not become part of approved Distributing Agencies, for resale to ultimate consumers only.

Wholesale contracts, both long term and short term, should make it clear that no sales will be made at wholesale to existing electric utilities that do not become part of approved Distributing Agencies for resale to other existing electric utilities.

I - TERMS OF CONTRACTS

It is recommended that long term contracts with approved Distributing Agencies and with existing electric utilities that have effectively bound themselves to become part of an approved Distributing Agency be for a term of 20 years, automatically renewable for additional terms of 10 years each unless terminated by either party by notice in writing to the other party two years before the expiration of the contract.

It is also recommended that short term contracts with existing electric utilities that have not effectively bound themselves to become part of an approved Distributing Agency be for a term of 1 year, automatically renewable for additional terms of 1 year each unless terminated by either party by notice in writing to the other party 6 months before the expiration of the Contract.

II - SERVICE CONDITIONS

It is proposed that all wholesale contracts, both long term and short term, provide for the delivery of 3-phase current at 15 kv side of the substation at the point of metering and that the purchaser supply all lines and equipment from that point to and including his low tension networks and his customers' services and meters. The Public Power Corporation should own, maintain and operate all structures and equipment on the site of the 150/15-kv substation, including all 15-kv circuit breakers and disconnecting switches, and all metering equipment. Arrangements should be made for qualified employees of the purchaser to have access to the Public Power Corporation substation, under the supervision of the Public Power Corporation employees, for inspection and checking of metering equipment and for necessary participation in 15-kv switching operations.

III - RATES

It is recommended that the following policies be adopted with respect to wholesale rates for resale:

a) That except for inter-change contracts, the wholesale rates of the Public Power Corporation for resale be uniform over its entire system and that initially, in addition to its inter-change contracts, there be only two classes of service and two tariffs - one applicable to long term contracts and one applicable to short term contracts. Long term contracts will apply to Approved Distributing Agencies and to existing utilities that have effectively bound themselves to become part of an Approved Distributing Agency. Short term contracts will apply to existing utilities that have not effectively bound themselves to become a part of an Approved Distributing Agency for resale to ultimate consumers only.

b) That each of the suggested tariffs consists of a demand charge per KW or KVA of maximum demand and an energy charge or charges per KWH only, and that the demand charges and energy charges in short term contracts be a fixed percentage - 25% is recommended - higher than the corresponding charges in long term contracts.

c) That the tariff to be incorporated into the long term contracts - both the initial tariff and subsequent services as referred to hereinafter - be designed to yield total revenues, along with revenues to be derived from interchange agreements and other sources, and assuming all of the proposed approved Distributing Agencies organized and in operation, equal to total cost of service; and that such total cost of service include estimated operating and maintenance expenses, taxes or payments in lieu of taxes, and an annunity sufficient to amortize a total capitalization equal to the cost of construction of the system plus materials and supplies plus working capital, treated as if it were a debt to the Greek State, and to pay interest on the unamortized portion of such capitalization at a moderate compound interest rate over a period of 60 to 75 years.

d) That the initial long term and short term contract rates, including both Demand Charges and Energy Charges, be subject to adjustment by the Public Power Corporation from time to time so as to take into account changes in costs of operation and maintenance, the completion of new generating, transmission and substation facilities, and revised estimates of demands and KWH sales.

e) That bills for power sold at wholesale for resale be submitted monthly, and that they be payable within ten days of their receipt, and that in case of nonpayment of bills for power for resale within ten days, or of any other violation of the contract by a Distributing Agency, the Public Power Corporation shall give written notice of such nonpayment or violation. If such bill has not been paid or such violation corrected within fifteen days after such notice, it is recommended that the contract be cancelled, and that if the Distributing Agency is an Approved Distributing Agency, its approval by the Public Power Corporation as an Approved Distributing Agency concurrently cancelled, and service rendered thereafter to a new Approved Distributing Agency will have been

established or the property and its operation will be taken over, on a temporary basis, by the Public Power Corporation. If the Distributing Agency is one that has not become part of an Approved Distributing Agency, it is recommended that service be rendered thereafter on a short term contract basis for three months, at the termination of which service will be discontinued or continued to a new Distributing Agency.

IV - OTHER CONTRACT PROVISIONS

In addition to the provisions previously referred to, it is recommended that all contracts, both long term and short term, for sale of power at wholesale for resale, provide:

a) That the Distributing Agency shall serve all applicants for service without discrimination between localities or persons, provided that such applicants comply with the National Regulations for Electrical Installations, and with the PPC Service Rules and Regulations (Appendix G, herewith).

b) That the Distributing Agency will charge ultimate consumers and other Distributing Agencies to which they are authorized to sell for resale on a short term contract basis, only at rates filed with and approved by the Public Power Corporation in accordance with Appendix F, herewith.

c) That the Distributing Agency will conform in all respects to the Statement of Policy on Distribution of Electricity adopted by the Board of Directors of the Public Power Corporation, June 8, 1951 or any subsequent amendments thereto.

d) That the Distributing Agency will conform to the requirements of the PPC Standards for Distribution Construction, as referred to elsewhere herein, and will maintain its property in a safe operating condition, complying with directions issued by the Public Power Corporation in connection with its technical supervision.

e) That the Distributing Agency will conform to the requirements of the PPC Manual of Accounting and Reporting Practices, Systems and Methods referred to elsewhere herein.

f) That the Public Power Corporation specifically reserves the right to make necessary amendments in its regulations relating to Approved Distribution Areas, Approved Distributing Agencies, Loans to Approved Distributing Agencies, Wholesale Rates for Resale, Rates to Ultimate Consumers, Service Rules and Regulations, Salaries paid by Approved Distributing Agencies, Acquisition of Existing Facilities, Standards of Distribution Construction and Manual of Accounting and Reporting Practices, Systems and Methods.

APPENDIX F

DISTRIBUTING AGENCY RATES

A P P E N D I X F

Distributing Agency Rates

It is recommended that the objective form of rates to be charged by Distributing Agencies buying power at wholesale from the Public Power Corporation, be as outlined below. This recommendation does not apply to the Athens Piraeus Electricity Company Limited or to any Distributing Agency (existing electric utilities) that does not purchase power at wholesale for resale from either the Public Power Corporation or an Approved Distributing Agency.

I - Forms of Rates

All schedules of rates to which this Appendix applies should provide for monthly billing and collecting, and the tariff should be in the following objective form, with modifying provisions as required by the wholesale contract under which the Distributing Agency purchases its power. The following rates are those toward which the agencies should work. Initially, rates will be more or less unchanged from their present level and form with the exception that all identifiable taxes will be included as isolated and segregated amounts for reporting to, and eventually for collection by the political division or subdivision involved. It is not proper for nor is it expected that the Public Power Corporation will become a vehicle for imposing added or hidden taxes upon the consuming public. Experience will dictate the final level and form. After actual operating experience is obtained it will be possible to prepare the necessary instructions to accompany each rate.

A - For Sale to Ultimate Consumers

1. Residential Service (220 Volt Single Phase)

2250 drachmae per KWH for the first 10 KWH
1500 drachmae per KWH for the next 40 KWH
750 drachmae per KWH for all additional KWH

Minimum Bill: 7500 drachmae

2. General Service (220/380 Volts Single or Three Phase)

2250 drachmae per KWH for the first 50 KWH
1500 drachmae per KWH for the next 200 KWH*
750 drachmae per KWH for the next 750 KWH*
450 drachmae per KWH for all additional KWH

*add 30 KWH for each KW of Demand in excess of 5 KW

Minimum Bill: 7500 drachmae plus 35,000 drachmae for each KW of Demand in excess of 5 KW

3. Industrial Service (220/380 Volts Single or Three Phase)

2,000,000 drachmae for the first 50 KW of Demand, or less
40,000 drachmae per KW for all additional KW of Demand
300 drachmae per KWH for the first 120 KWH per KW of Demand
225 drachmae per KWH for the next 120 KWH per KW of Demand
175 drachmae per KWH for all additional KWH

Voltage Discount if service is taken at 15 KV

4,000 drachmae per KW of Demand

Minimum Bill: 300,000 drachmae per year per KW of the highest Demand in the 12 months ending with the current month.

4. Off Peak Irrigation Service (Available Phase and Voltage)

900 drachmae per KWH for the first 100 KWH per KW of Demand
450 drachmae per KWH for all additional KWH

Minimum Bill: 300,000 drachmae per year per KW of the highest Demand in the 12 months ending with the current month.

5. Street Lighting Service (220 Volts)

The sum of the following charges:

A rental, attendance and lamp renewal charge equal to 1 1/2% of the installation cost of the street lighting equipment, plus

700 drachmae per KWH for all KWH

B - For Sale of Service at Wholesale by Approved Distributing Agencies for Resale to Distributing Agencies not becoming a part of Approved Distributing Agencies (15 KV Three Phase)

37,500 drachmae per KW of Demand
250 drachmae per KWH for the first 240 KWH per KW of Demand
200 drachmae per KWH for all additional KWH

Minimum Bill: The charge for the effective Demand, but for not less than 50 KW.

C - Initial Rates

As previously stated, initially the rates will be more or less unchanged from their present level and form with the exception that all taxes will be included. Following this initial period rates of Distributing Agencies should be prescribed by the Public Power Corporation in a supplemental contract utilizing the suggested standard forms of rates.

Such rates should be designed for a selected initial year following the expected completion of the reconstruction and expansion

of the distribution facilities of the Distributing Agency, to yield revenues from the estimated sales in such year equal to the sum of the cost of purchasing power at wholesale for resale; plus estimated operating and maintenance expenses other than purchased power; plus taxes or payments in lieu of taxes; plus an annuity sufficient to amortize the debt and to pay interest on the unamortized debt over a period such as 30 years; and plus allowable earnings on the Capital of the Distributing Agency, sufficient to pay reasonable dividends, to amortize the capital of the Distributing Agency over the term of its concession and to create a reserve for contingencies.

D - Changes in Rates

1. It is recommended that every change in the wholesale rate for resale be recognized as the occasion for a concurrent adjustment in the rates charged by the Distributing Agency, and that changes in rates charged by Distributing Agencies may also be made because of changes in other costs or because of revisions of estimates of demands and sales. It is also recommended that such change in rates be subject to initiation either by the Public Power Corporation or by the Distributing Agency, and that every such change be based upon a determination of the total revenue requirement.

2. It is recommended that whenever a change in the rates charged by a Distributing Agency is initiated by the Distributing Agency, the Agency be required to submit an application for approval to the Public Power Corporation, accompanied by complete details of the computations including estimated sales and revenues at existing rates from all classes of service; estimated total revenue requirement including cost of purchased power, other operating and maintenance expenses, depreciation, taxes or payments in lieu of taxes, interest and amortization on debt, and allowable return on capital; the proposed division of such total revenue requirement between the several classes of service and the proposed rates in the standard rate forms.

It is proposed that the Public Power Corporation thereupon conduct an investigation and issue its decision approving, modifying or disapproving the application. Every such decision should set forth the facts upon which the Public Power Corporation bases its action.

APPENDIX G

SERVICE RULES AND REGULATIONS FOR DISTRIBUTING AGENCIES

APPENDIX G

S E R V I C E R U L E S
A N D
R E G U L A T I O N S

For

D I S T R I B U T I N G A G E N C I E S
of
T H E P U B L I C P O W E R C O R P O R A T I O N

PUBLIC POWER CORPORATION

August 6, 1952

SECTION I

Introduction

This booklet is issued by the Public Power Corporation as a guide for customers arranging for electric service to be supplied by authorized Distributing Agencies receiving either power, financial aid or technical assistance from the corporation.

Definition of Terms

The word "Corporation" refers to the Public Power Corporation.

The term "Distributing Agency" refers to any agency authorized to distribute energy obtained from the Corporation's system, including the Corporation itself.

The word "Customer" is used to designate either the present or the prospective user of the electric service.

The word "Service" refers to the supply of electricity to the customer.

The term "Service Connection" refers to the connection of the Distributing Agency's service lines to the customer's service entrance facilities.

The term "Service Drop" refers to the Distributing Agency's wires between the pole and point of attachment to customer's equipment or wiring.

The term "Service Entrance" refers to the customer's equipment, wires and wire enclosure, between the service drop and the customer's main fuse or switch.

The term "Service-head" refers to weatherproof head on the customer's overhead service entrance.

The word "Mains" refers to the Distributing Agency's distribution lines located along highways or on private property when used or intended for common distribution.

The term "Secondary Service" refers to service metered at a nominal voltage of 380 volts or less, normally 220 and 380/220 volts 50 cycles.

The term "Primary Service" refers to service metered at nominal voltages above 380 volts, normally 15000 volts 3-phase 50 cycles.

General

The customer and his agents should arrange their installations to comply with these regulations, which experience has shown to be necessary to enable the Distributing Agency to supply adequate and satisfactory service.

These rules do not release customers from the obligation of maintaining their wiring and apparatus in a safe condition, nor does the Corporation or the Distributing Agency in any way accept responsibility for this wiring and apparatus.

The rules specified in this booklet will take effect on all new work where application is made on or
Contractors, architects, engineers, builders and others interested should advise the Distributing Agency so they may be on the mailing list to receive any changes or amendments issued.

The Distributing Agency is always ready to advise and assist those desiring information as to electric service and requirements. Requests can be made by letter, telephone, or interviews can be arranged at the nearest Distributing Agency office.

The Corporation has instituted the rules stated in this handbook which govern the conditions under which the Distributing Agency will deliver electricity to a customer. These rules are intended as a protection to the customer and must be adhered to so that the Distributing Agency can install its service and place its meter with the least possible delay. It is necessary that all new wiring and equipment on Customer's premises be installed and maintained in a safe manner, in accordance with the latest revisions of the Regulations for Interior Electrical Installations of 1952.

Interpretation

Any question which arises involving the application or interpretation of these Service Rules and Regulations should be referred to the nearest office of the Distributing Agency serving the area.

Identification of Employees

The Distributing Agency shall have the right of access to all of its property installed on the Customer's premises at all reasonable times.

Every employee of the Distributing Agency who is authorized by it to enter the customer's premises for the purpose of reading or testing meters, collecting electric bills or for other Distributing Agency purposes is provided with an identification card bearing his photograph, signature, and the seal of the Distributing Agency; such employee must, upon request, sign his name for comparison with the signature appearing upon said identification card. The Distributing Agency will not be responsible for anyone claiming to represent it unless such person is properly identified.

Ownership of Equipment Installed by the Distributing Agency

Meters, instrument transformers, auxiliary metering equipment, enclosures for metering equipment, enclosures for service entrance circuit breakers, and overhead and underground lines furnished by the Distributing Agency and installed in or on the customer's premises remain the property of the Distributing Agency and shall be removed only by it.

Responsibility for Electric Installations

The Distributing Agency makes no new electric installation on the customer's premises other than the installation of its services and meters as set forth in these Service Rules and Regulations. It will assume the responsibility for the condition of customer's electric installations.

Application for Service

Application for electric service should be made as promptly as possible at the nearest office of the Distributing Agency by the prospective customer who is to use electricity, or his authorized agent, on forms provided for this purpose. That office will make arrangements for the supply of service and where necessary will arrange for a representative of the Distributing Agency to furnish information concerning rates, type of service to be supplied and special requirements for the installation.

The customer should apply for service before planning the installation or purchasing any electrical equipment. The Distributing Agency will not be responsible if this is disregarded.

New Electric Service

When initial electric service is desired, it is advisable that the prospective customer of his electrical contractor consult with the Distributing Agency in order to fully understand the requirements and to avoid delays in making the necessary extensions and final connection. The

customer must insist that his electrical contractor furnish him with final or temporary certificates of approval for wiring and fixtures from the electrical inspection authorities as required. THE DISTRIBUTING AGENCY RESERVES THE RIGHT TO REFUSE TO FURNISH SERVICE TO ANYONE UNTIL PROPER CERTIFICATES HAVE BEEN ISSUED AND FILED FOR RECORD AT THE DISTRIBUTING AGENCY'S OFFICE. IT ALSO RESERVES THE RIGHT TO REFUSE SERVICE IN THE EVENT THAT ANY OTHER REQUIREMENTS ARE NOT MET.

Service Additions and Alterations

Before additions or alterations to a customer's electric installation or equipment are made, the Distributing Agency must be notified through its Customer's Service Department. All wiring shall be installed to comply with the rules in effect at the time the additions or alterations are made. Until such work is approved, the wiring or equipment must not be connected to the Distributing Agency's service. Attention is called to the fact that the provisions of the Distributing Agency's "Terms and Conditions of Electric Service" make the customer liable for Distributing Agency's equipment damaged because of failure to comply with this requirement.

Where building alterations or rewiring make necessary the relocation of the meter, the new wiring must be completed and approved before the Distributing Agency will change the meter to the new location. ALL PERSONS, EXCEPT AUTHORIZED EMPLOYEES OF THE DISTRIBUTING AGENCY, ARE FORBIDDEN TO INTERFERE WITH THE METER AND ITS CONNECTIONS.

Requirements of Safe Installation

The Distributing Agency reserves the right to refuse service to any new installation or to disconnect service to any existing installation should it be considered by the Distributing Agency that such installation is unsafe. The Distributing Agency will not be responsible in any way for any defect in the wiring or equipment of the customer or for damage that may result from such defects.

Meter Seals

The meters and meter enclosures will be sealed by the Distributing Agency.

THE BREAKING OF THESE SEALS BY UNAUTHORIZED PERSONS OR THE TAMPERING WITH METERS OR WITH ANY PROPERTY OF THE DISTRIBUTING AGENCY IS A VIOLATION OF THE LAW.

The Distributing Agency's emergency service force is available at any hour, day or night.

Should anyone be aware of a hazardous condition caused directly or indirectly by electric wires, the Distributing Agency should be notified.

Unauthorized Attachments to Poles

The Distributing Agency forbids any unauthorized attachments such as flags, banners, signs, clotheslines, wireless, antennae to any of its poles. It forbids the use of its poles for placards or other advertising matter. The Distributing Agency will remove any such unauthorized attachments without notice and may prosecute any such trespassing.

Radio Aerial

Aerials for radio receiving or broadcasting equipment must not be placed over the Distributing Agency's lines, poles, towers, or structures.

TO THE ELECTRICAL CONTRACTORS, ARCHITECTS OR ENGINEERS RETAINED BY CUSTOMERS

The following sections deal more particularly with the relations between the Distributing Agency and those parties who design and install systems of wiring, and present the rules and regulations in connection therewith. In any case where the rules and regulations seem to be inapplicable, the Distributing Agency will be pleased to give the case individual attention and an interview can be arranged with a representative of the Distributing Agency, either at the Distributing Agency office or on the premises of the customers. The contractor must request the Distributing Agency for the proper locations for service entrance and meter.

SECTION II

CHARACTERISTICS OF ELECTRIC SERVICE SUPPLY

General

The standard service supply of the Distributing Agency is alternating current with a nominal frequency of 50 cycles per second.

Service from Distributing Agency's Secondary Distribution System

The following types of secondary service are available:

1.	Three phase	4 wire	380/220 volt
2.	Single phase	2 wire	220 volt

Service from Distributing Agency's Primary Distribution System

Primary service is available at 15000 volts, three wire, three phase.

SECTION III

SERVICE CONNECTIONS AND ENTRANCE INSTALLATIONS

General

In providing electric service, it is the Distributing Agency's responsibility to construct all service connections from its mains to the customer's premises. Any deviation from this requirement contained herein is premissive only and may be changed by the Distributing Agency at any time upon suitable notice.

It is the Distributing Agency's practice to supply but one service connection to a customer's premises.

The customer is required to furnish and install the service entrance wiring and equipment on his premises beyond the point of attachment to the Distributing Agency's service connection with the exception of transformers and network protectors for secondary service, and meters and enclosure equipment as enumerated in detail in the following paragraphs. Service entrance conductors shall be provided with a readily accessible approved manually operable switch fuse or circuit breaker for simultaneously disconnecting all ungrounded conductors form the source of supply. All materials and equipment used shall be of a type approved by the Distributing Agency and must be installed according to the requirements of the latest revision of the Regulations for Interior Electrical Installations of 1952 and of the Distributing Agency. The location of the service connection and of the service entrance installation must be obtained from the Distributing Agency.

The customer will be required to pay the cost of installing and removing service connections for temporary service.

The Distributing Agency will seal meters and all enclosures containing meters and auxiliary metering equipment, entrance breakers, or unmetered wiring. No person except a duly authorized Distributing Agency employee is permitted to break or remove a Distributing Agency seal or padlock.

It is the Distributing Agency's practice to require its meters to be located outdoor. However, for some locations (such as business areas and where underground service is supplied) and some buildings (such as apartment houses), the Distributing Agency may specify indoor meter location.

Grounding

The customer shall provide, install and connect all grounding of services and service equipment in accordance with the latest revision of the Regulations for Interior Electrical Installations of 1952 and of the requirements of the Distributing Agency.

Secondary Overhead Service from Overhead Lines

For standard overhead connections from overhead lines the Distributing Agency will install the necessary wires, between its nearest pole and the point of attachment to the customer's wiring. A safe and adequate anchorage or support for the Distributing Agency's service drop wire shall be provided by the customer. THE DISTRIBUTING AGENCY WILL NOT BE RESPONSIBLE FOR DAMAGE TO THE CUSTOMER'S BUILDING OR WIRING RESULTING FROM FAILURE OF THIS ANCHORAGE. Brackets attached to building walls or other supports for terminating the customer's end of the service run will be furnished by the Distributing Agency and installed by the customer at the location and in the manner specified by the Distributing Agency. No charge will be made for such service connection up to 20 meters in length. To determine the cost of service connections in excess of 20 meters the Distributing Agency's nearest office should be consulted.

The overhead service connections shall be at a location designated by the Distributing Agency.

The customer shall install the service entrance installation in accordance with the provisions of the latest revision of the Regulations for Interior Electrical Installation of 1952 and with the requirements of the Distributing Agency.

Service entrance conductors shall be not less than 6 mm^2 and shall be of sufficient size to carry the connected load with a voltage drop not exceeding 1% for lighting loads or 3% for power loads. They shall extend 1 meter out of the service head.

Service entrance conductors shall enter buildings in rigid conduit, all joints exposed to the weather shall be made weatherproof, and the conduit shall be equipped with a weatherproof service head. The service head shall be located so that it is at least 30 cm from overhanging or projecting woodwork or combustible material and shall be within 50 cm of the point of attachment of the Distributing Agency's service connection conductors. The service entrance conductors shall run continuous without splices from the service connection to the meter.

The size of the wire and conduit shall be in accordance with the requirements of the latest revision of the Regulations for Interior Electrical Installations of 1952. The Distributing Agency will furnish upon application information for any particular case.

The buildings of multiple occupancy, two or more sets of service entrance conductors may be connected to a single set of main service conductors where all service entrances are installed at a common point.

Refer to diagrams No. I, II, III, IV and V for details.

Secondary Underground Service from Overhead Lines

Where a customer desires an underground service connection from the Distributing Agency's overhead mains, the customer shall furnish and install at his expense the necessary cable, or conduit and cable to the base of the pole leaving sufficient cable (without splice) and conduit and terminal fittings for connection to the Distributing Agency's mains, the installation on the pole shall be made by the Distributing Agency at the expense of the customer.

Approved underground service entrance cable shall be buried directly in the ground. Such cable, from a point not less than four meters above ground on the side of the pole designated by the Distributing Agency to a minimum horizontal distance from the pole of 1-1/2 meters or of 60 cm beyond the edge of sidewalk, street, or driveway, shall be protected by approved conduit of not less than 29 mm nominal size. Conduit shall be used to carry the buried cable through the building wall and shall extend a minimum of 1.2 meters horizontally outside the building wall. Conduit entering the building shall be effectively grounded in accordance with standard practice and the pole conduit shall be grounded by the use of an approved ground. The cable shall be effectively sealed in the service pole conduit, and a sufficient length of cable shall be left at the top of the conduit to complete the vertical run to the secondary main without splice.

Underground service entrance conductors shall be installed not less than 60 cm below the ground level, and the trench shall be left open until the installation has been approved by the Distributing Agency.

Refer to diagram No. VI for details.

The Distributing Agency will also permit the use of service entrance conductors of a type approved for use in locations exposed to moisture.

Such conductors shall be protected by a continuous run of approved conduit of not less than 29 mm nominal size. This conduit shall be installed in a watertight manner to the service entrance equipment from a point not less than 4 meters above ground on the side of the pole designated by the Distributing Agency.

A sufficient length of service entrance conductors shall extend from service conduit, on the Distributing Agency's pole, to reach the Distributing Agency's secondary mains.

Refer to diagram No. VI for details.

Secondary Service from Underground Mains

The Distributing Agency will install and maintain all service cables, or service conduits and cables, from its mains in the street to the customer's main fuse or switch. That part of the installation on customer's premises beyond the property line will be at the expense of customer.

Secondary Service Equipment

For new installations to be metered at voltage not exceeding 380 volts, the Distributing Agency will furnish meters and meter enclosures at its expense.

For installation where instrument transformers are required for metering, the Distributing Agency will also furnish, at its expense, the necessary instrument transformers, test switches and control cable. The instrument transformers, switches and cable will be furnished to the contractor who will install them as a part of his contract with the customer. The meters required for metering will be furnished and installed by the Distributing Agency at its expense, including final wiring connections of the metering control cable to this equipment and to the test switch.

All service entrance equipment and metering enclosures must be installed by the customer so as to be plumb, and must be securely mounted upon a substantial support or wall or its equivalent which is free from shock or vibration. The support is to be so located that the watt-hour meter when installed will be approximately 1.5 meters above the floor or ground level. There must be at least 1 meter clearance in front of any piece of equipment or meter on the support.

The service entrance equipment shall be in a location which is unobstructed, readily accessible and convenient for the regular visits of Distributing Agency's employees. On secondary service connections the meters shall, in general, be located on the front side of building and adjacent to the service entrance. Where such a location is impracticable, permission may be granted by the Distributing Agency to locate the equipment elsewhere.

The service entrance installation shall provide for the necessary meters to supply all customers and all types of service which the building is designed to accommodate.

Where more than one meter is located on a service entrance, they shall be grouped together and the location of the customer for each meter shall be permanently marked on the customer's meter enclosure.

Refer to diagram No. VIII for details.

Customer's load wires shall not be installed in the same troughs or conduits which carry the Distributing Agency's service conductors.

Before making installation of secondary service equipment where the capacity required exceeds 100 amperes per phase, plans must be submitted to the nearest office of the Distributing Agency.

Primary Service Installations

Where in the judgement of the Distributing Agency the customer's load is sufficiently large to warrant it, service will be supplied at primary voltage. The customer shall furnish at his expense a substation with necessary transformers, circuit breakers, bus structure and appurtenances.

Before making installations requiring primary service entrance equipment, the nearest Distributing Agency office shall be consulted to determine the Distributing Agency's general requirements for the installation. Detailed plans should be prepared by the customer and submitted to the Distributing Agency for approval before construction is started.

SECTION IV

METERS AND AUXILIARY EQUIPMENT

Meters

The Distributing Agency will furnish, install and maintain adequate metering facilities necessary to measure the energy, and where necessary to demand, used in accordance with its contracts.

Installations, on poles of customer service equipment may be made only after approval by the Distributing Agency and an attachment permit has been executed.

In buildings to be occupied by more than one tenant, it is the Distributing Agency's practice to supply service directly to each tenant through an individual meter owned and maintained by the Distributing Agency. If the installation meets the Distributing Agency's commercial requirements, the Distributing Agency may, upon request, supply service to the building through one meter for each type of service rendered, meters shall not be installed by the customer for the purpose of resale to tenants.

No person, except a duly authorized employee of the Distributing Agency is permitted to alter or change a meter or its connections.

No branch circuits or devices are permitted on the supply side of the meter.

Instrument Transformers and Associated Equipment

The Distributing Agency will use current transformers for all meter installations where the load exceeds 100 amperes per phase. Potential transformers will be used for all meter installations where the service voltage exceeds 380 volts. These current and potential transformers shall be installed as provided in Section III.

The necessary test blocks required for the instrument transformers will be furnished by the Distributing Agency and installed by the customer as provided for in Section III.

The Distributing Agency will not permit the connection of any customer's equipment to the metering transformers used in conjunction with its meters.

SECTION V

CUSTOMER'S INSTALLATIONS

Wiring

Wiring installed on the customer's premises on the load side of the meter must conform to all requirements of the latest revision of the Regulations for Interior Electrical Installations of 1952.

Additions and alterations should not be made to the customer's wiring without due notice to the Distributing Agency. Attention is called to Section I - Service Additions and Alterations.

Where there are more than two wires in the service connection, the customer's wiring should be so installed and connected that the load will be balanced.

Where service entrance cable is used, the cable will be installed by the Distributing Agency to the metering equipment on the customer's premises.

Utilization Apparatus (Motors and Miscellaneous)

General

Motors, welders and other utilization apparatus shall be so wired, connected and operated as to produce no effects in the Distributing Agency's electrical system which will affect the adequacy of service to other customers.

Motors - Starting Current

The in-rush of current taken by a motor when starting is usually much greater than the normal load current of the motor.

The exact relation differs with different sizes, speeds and types of motors. While this starting current exists for only a short time, it frequently causes objectionable dips or flickers in illumination.

The "Table of Starting Current" states in terms of the customer's total connected load in horsepower (motors, lights, etc), including the motor under consideration, the maximum allowable increase in current on the supply side of the motor-starting device at any one instant during the starting operation. This specification does not limit the total current

that may be taken by the motor or motors in starting but it may require that the total be built up gradually, or in steps which do not exceed the value determined from the table.

Considerable latitude in the amount of starting current is permissable under certain conditions, and the Distributing Agency will give a written expression of opinion to any customer as to the acceptability of his proposed installations in this respect. The Distributing Agency cannot, however, give any warranty, expressed or implied, that particular conditions may not later require change by the customer unless starting currents are within the limits as show in the "Table of Starting Current" which the Distributing Agency will accept as satisfactory in any case.

A motor or motors may be started "across-the-line" if the total locked rotor current does not exceed in limitations given in the table. Current limiting starters may be used for motors requiring higher starting currents provided the current taken on both the starting and the running position and measured on the line side of the starter does not exceed these limitations. When starter is used, an appreciable time will of necessity be required for each step.

The starting current limitations shall not be in excess of the maximum as given in the following:

TABLE OF STARTING CURRENTS

	Maximum Lock Rotor Automatic or Manual or frequently started	Infrequently Started
Single phase 220 v Motors	20 Amp	40 Amp
Three phase 380 v Motors	30 Amp	50 Amp

In group installations of two or more motors supplied from the same service, the Starting Current limit for the largest motor shall be the limit for any other motors in the group. Motors starting simultaneously shall be considered as one motor.

All motor installations which require starting currents in excess of the acceptable values shall be referred to the Distributing Agency.

The Distributing Agency reserves the right, in case of doubt, to accept motors for connection to its service only after a test has been made to determine the starting current required.

Motor Devices

The Distributing Agency will provide its customers helpful information and advice when new loads are added to the Distributing Agency's lines. Before any motors or special apparatus are installed it is necessary that the Distributing Agency be consulted regarding the character and adequacy of the available service and the manner in which the equipment may be connected.

Where the electricity is used by the customer with equipment which results in objectionable effect upon, or interference with, the operation of facilities of the Distributing Agency, its customers, or of another public utility, the customer shall be required to furnish and install corrective equipment to overcome the objectionable effect or interference.

It is also recommended that important polyphase motors be equipped with suitable protection to prevent single phase operation, improper direction of rotation and excessive heating due to overcurrent operation. The Distributing Agency will be glad to assist the customer in the selection of suitable protective equipment.

Polyphase motors on elevators, cranes, well pumps or similar service where the improper direction of rotation of the motor would cause damage will not be connected to the Distributing Agency's facilities unless properly protected and approved by the Distributing Agency.

Under - Voltage Protection

When installing motors or miscellaneous apparatus, the continuous operation of which is essential even during infrequent but severe voltage disturbances, the customer should provide adequate under-voltage time-delay tripping mechanisms to protect against the automatic tripping of the equipment during or immediately after the disturbance.

The Distributing Agency will not be responsible in any way for damage to customer's equipment due to inadequate protection.

Welders and Furnaces

Because of the nature and method of operation, electric welder and electric furnace loads will not be accepted for service by the Distributing Agency until a thorough investigation of each case has been made. Usually special service arrangements and service equipment will be required and the Distributing Agency should be consulted before the customer purchases such apparatus.

It will be necessary to know the location of the load and its complete electrical requirement characteristics.

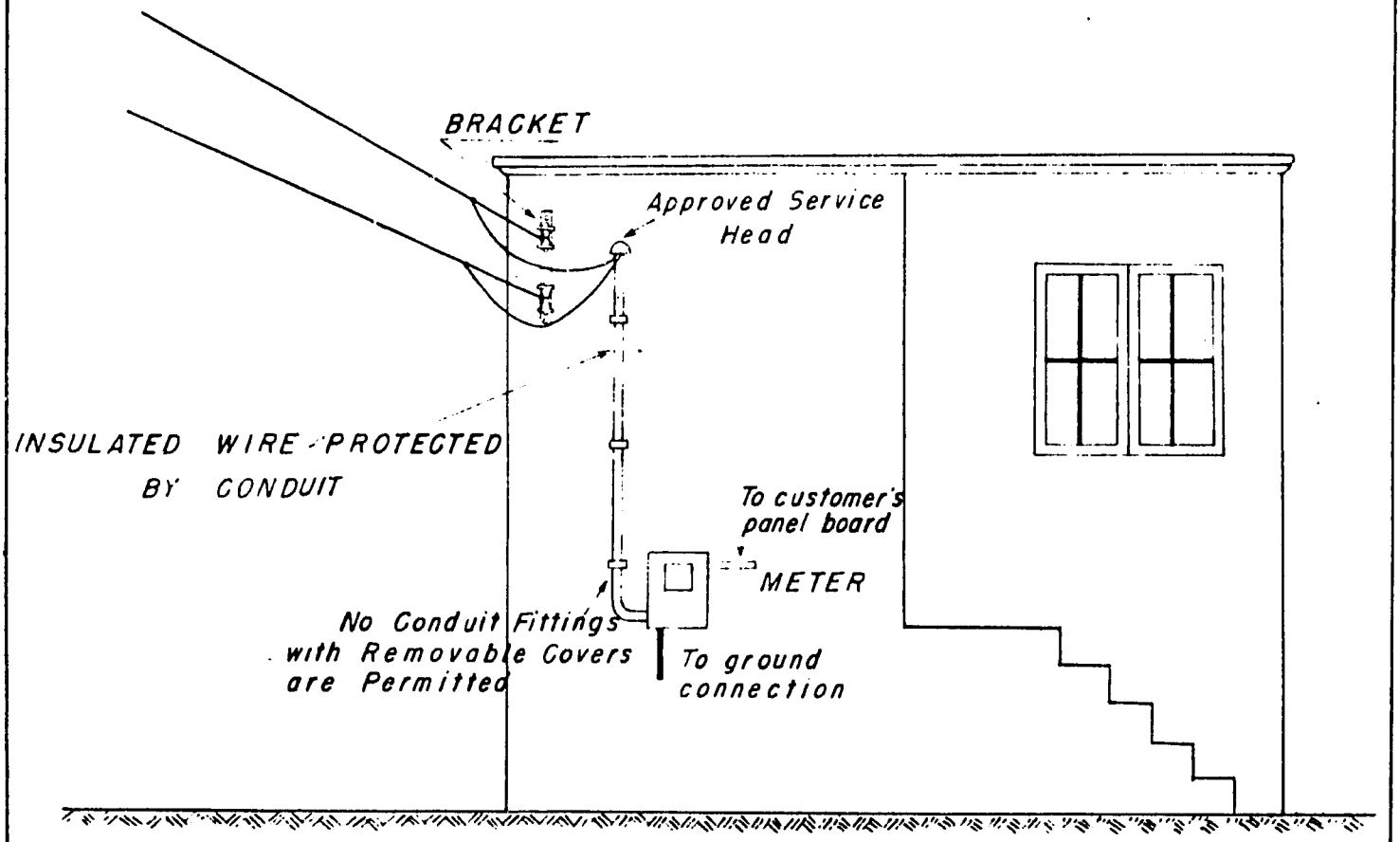
Insofar as practicable loads of this type shall be balanced on all three phases of the system.

Rangcs, Ovens and Heaters

Domestic, commercial and industrial loads of this type must be balanced on the Distributing Agency's service insofar as practicable. The amount of current drawn when any unit or combination of units is switched on shall not exceed the amount of current which would be permitted for corresponding conditions of motor starting.

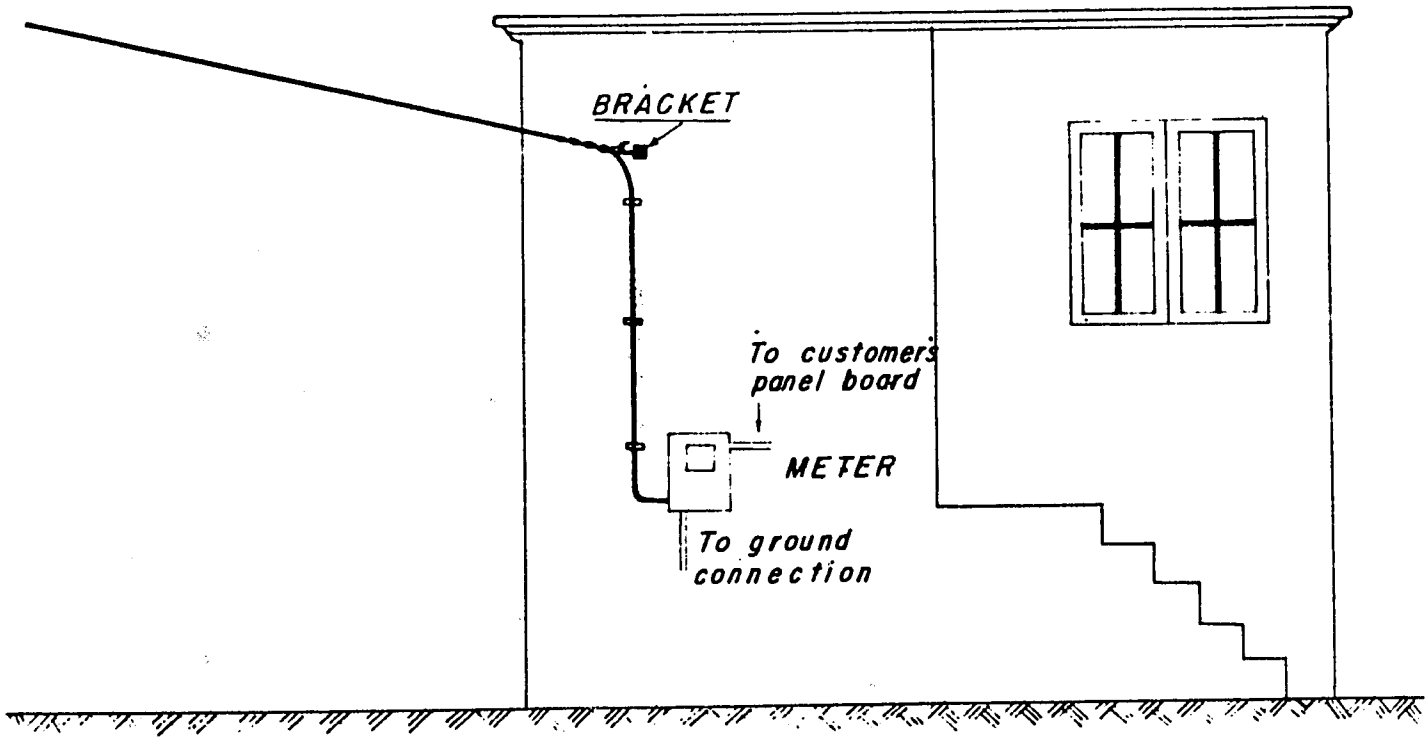
Gaseous Tube Lighting or Sign Equipment

Where neon, fluorescent or other types of lighting or sign equipment having similar low power factor characteristics are installed or moved to a new location, the customer shall furnish, install and maintain at his own expense corrective apparatus which will increase the power factor of the individual units or the entire installation to nct less than 90%.



SECONDARY OPEN WIRE SERVICE

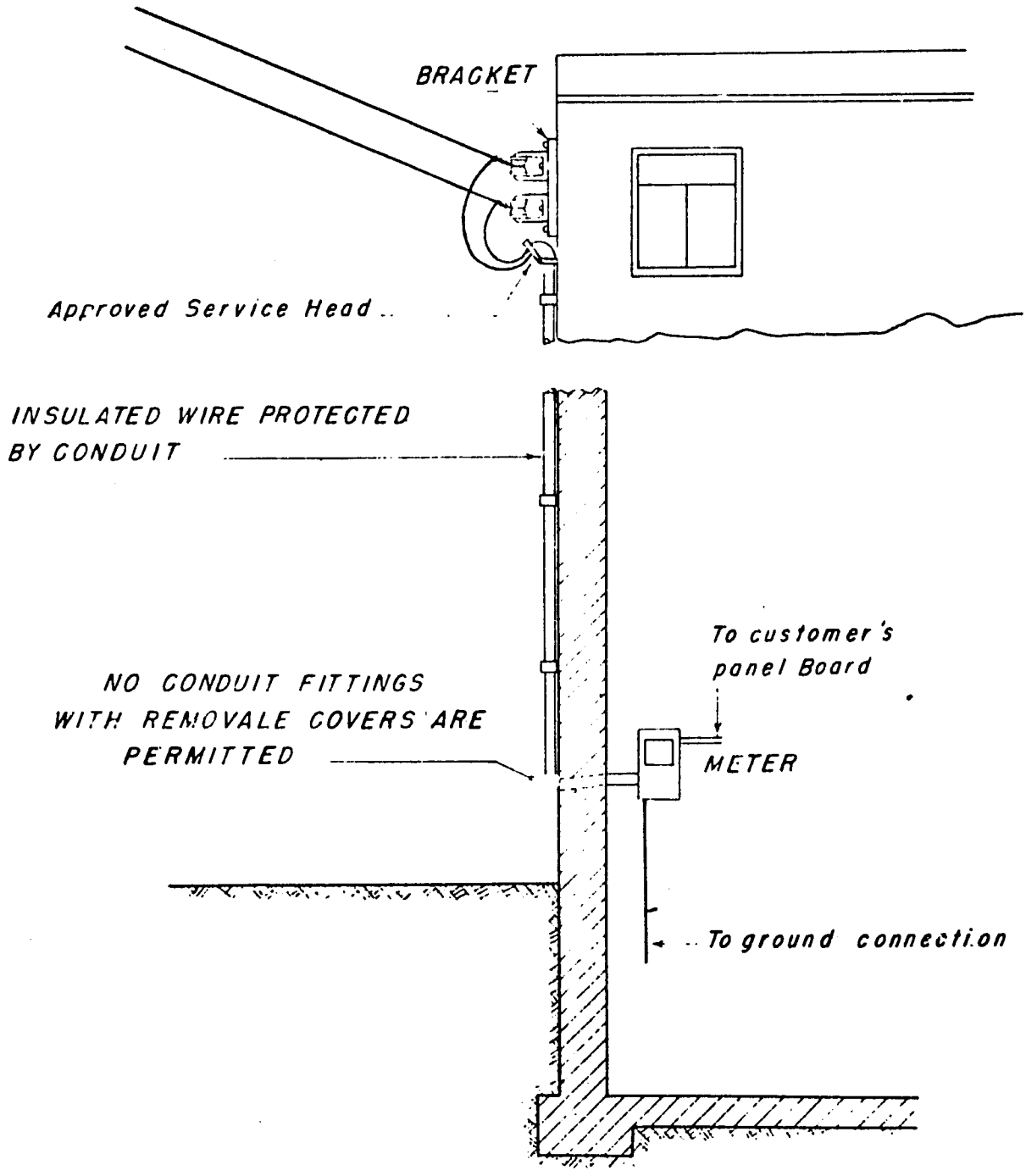
OUTDOOR METERING



SECONDARY OVERHEAD SERVICE

USING SERVICE ENTRANCE CABLE

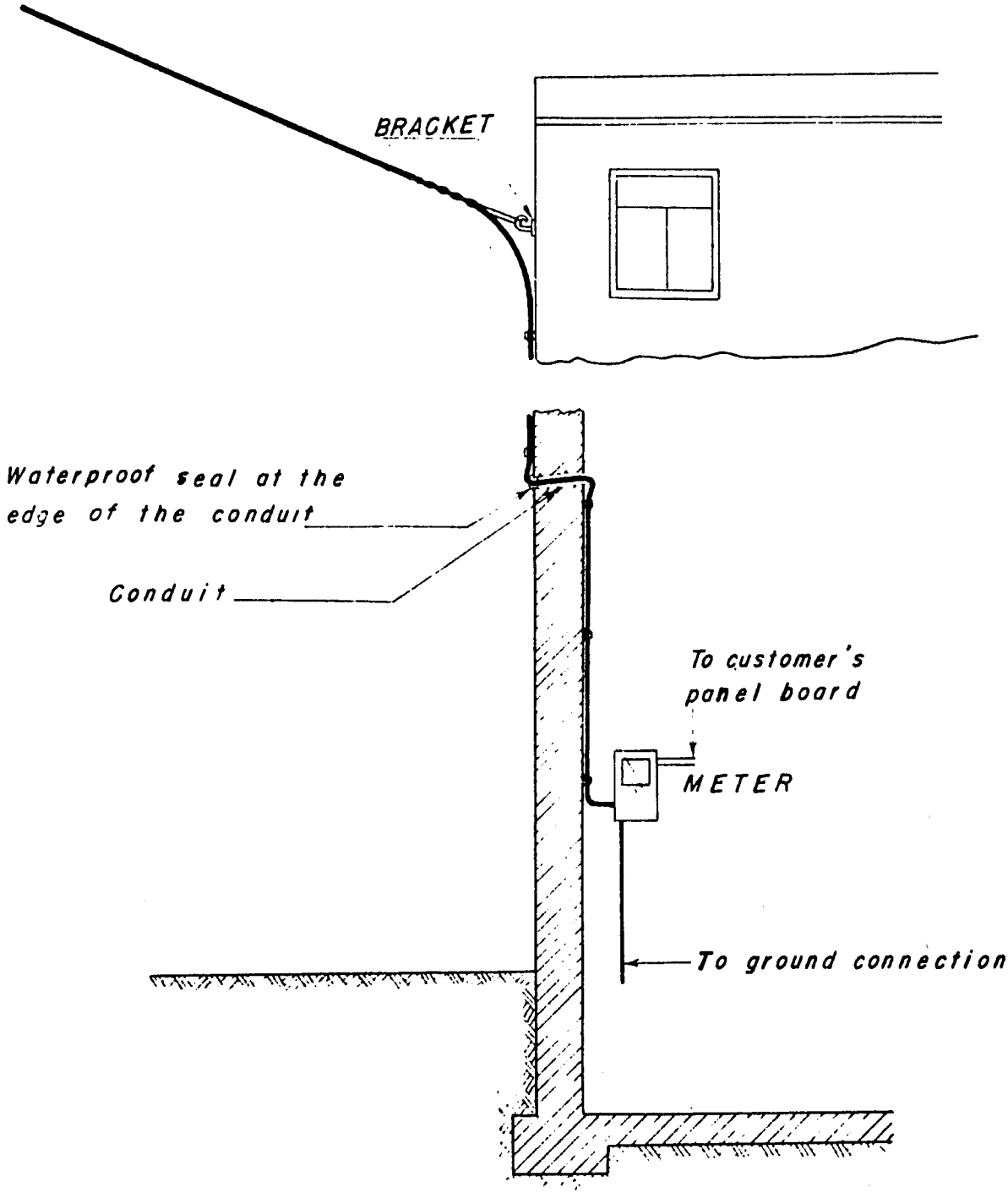
OUTDOOR METERING



SECONDARY OVERHEAD SERVICE

USING CONDUIT AND INSULATED WIRE

INDOOR METERING

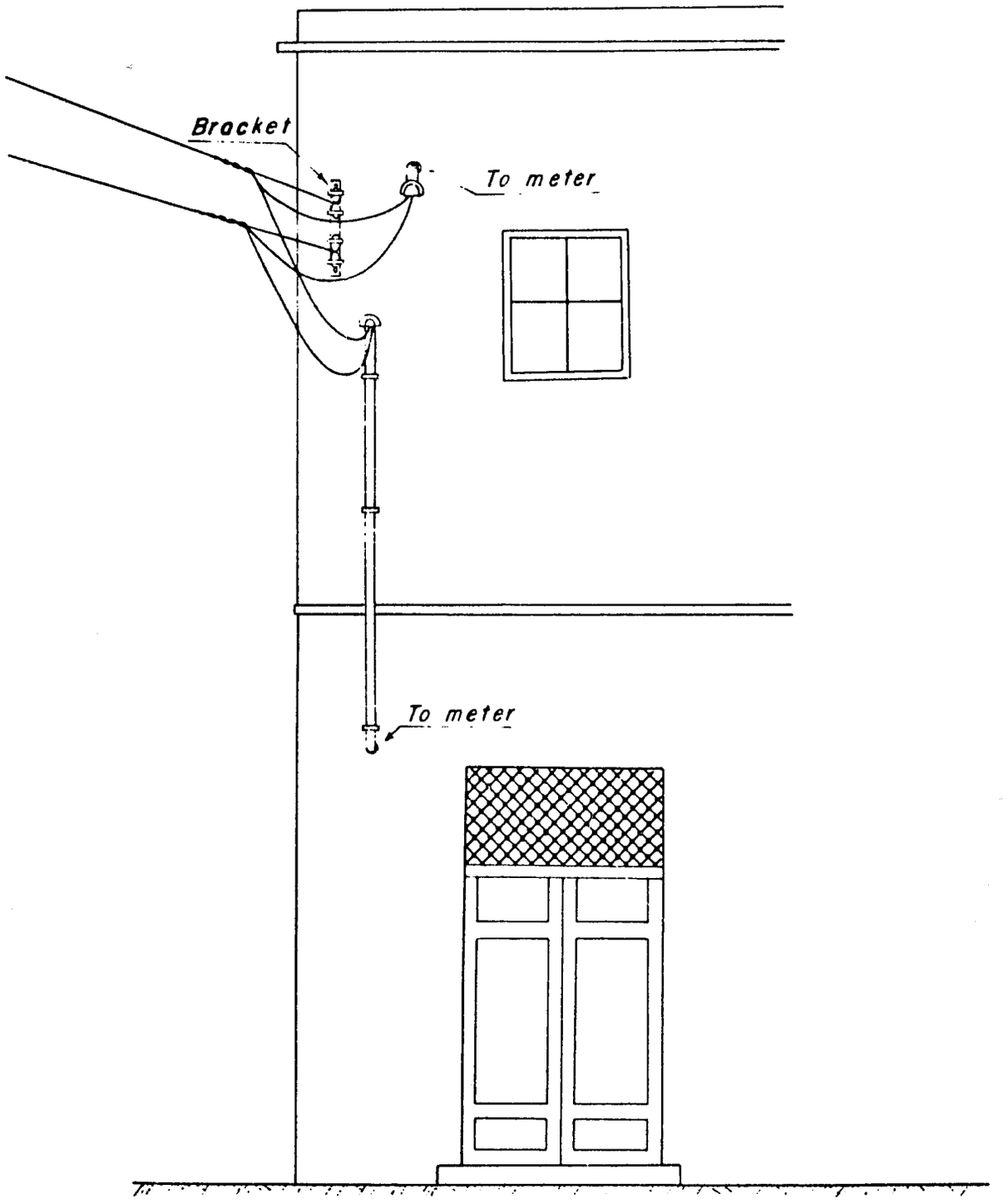


SECONDARY OVERHEAD SERVICE

USING SERVICE ENTRANCE CABLE

WITH A CONDUIT THROUGH THE WALL

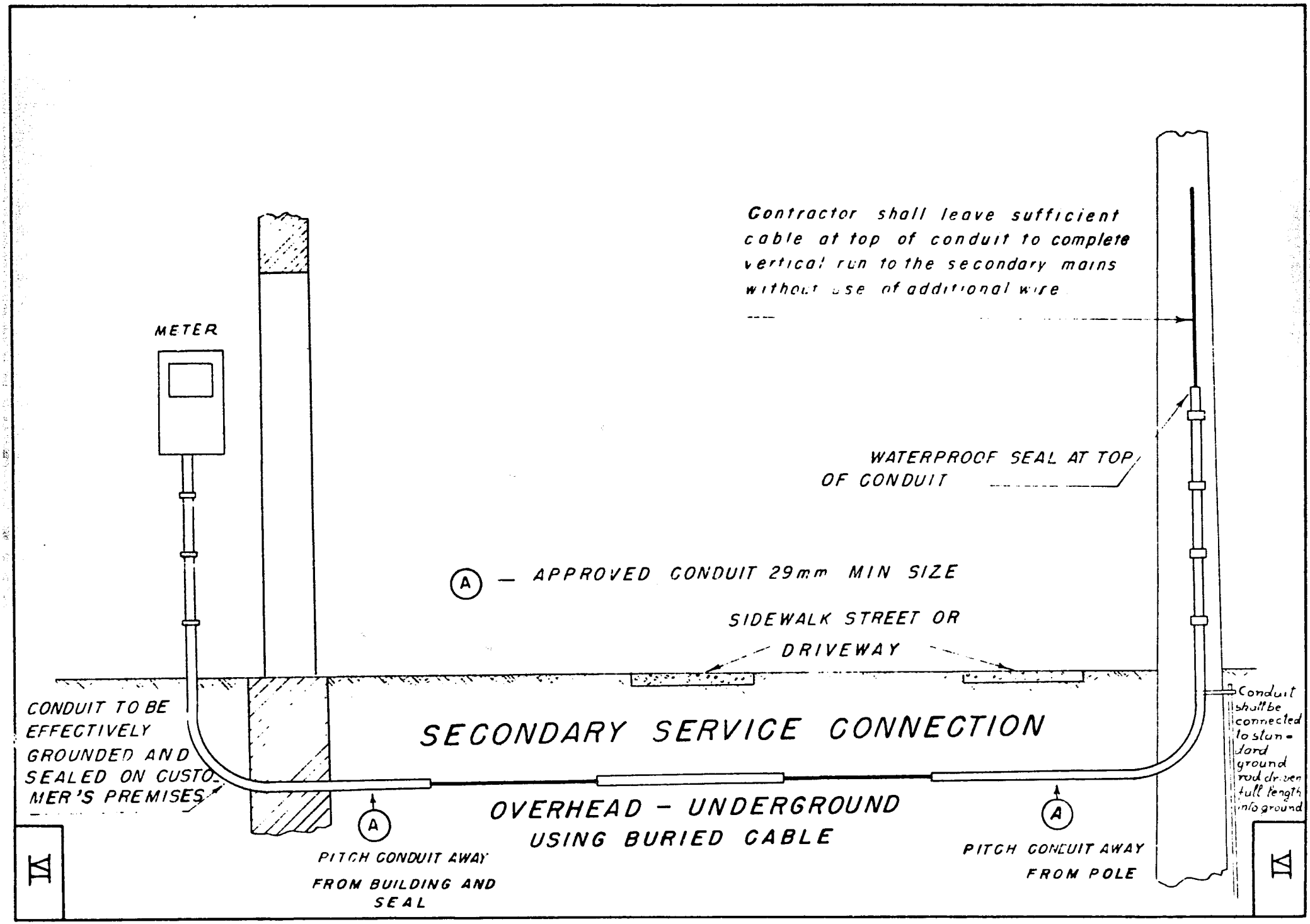
INDOOR METERING

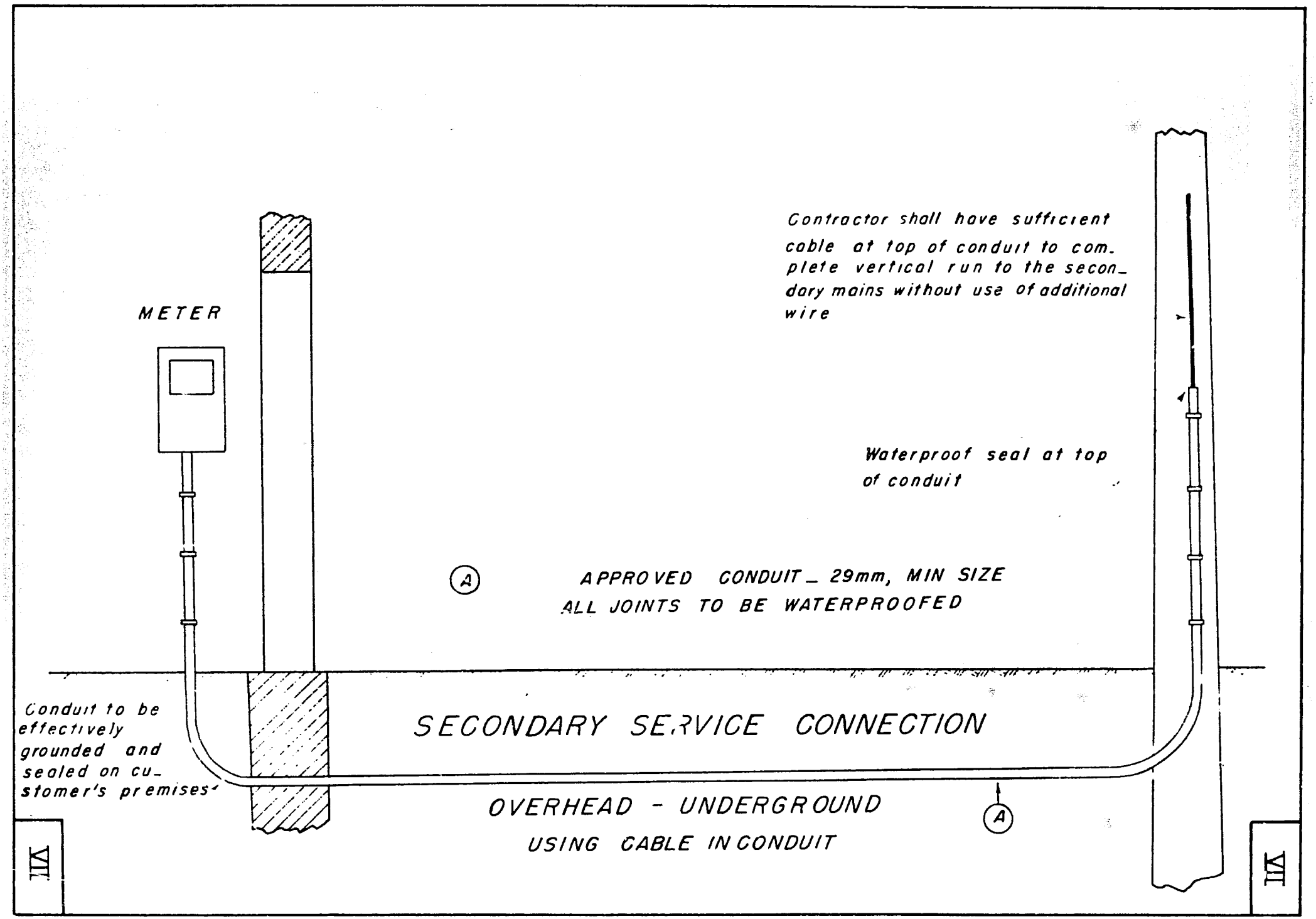


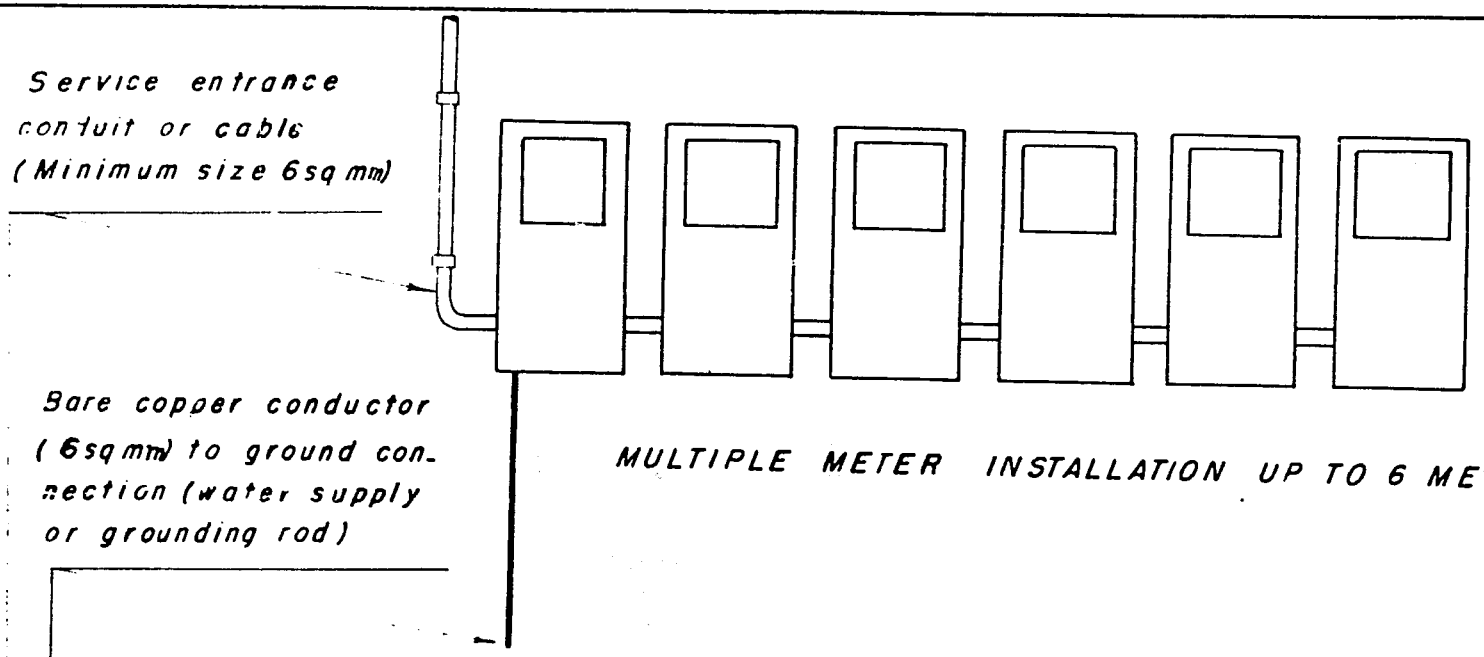
SECONDARY OVERHEAD SERVICE

TWO SETS OF SERVICE ENTRANCE CONDUCTORS

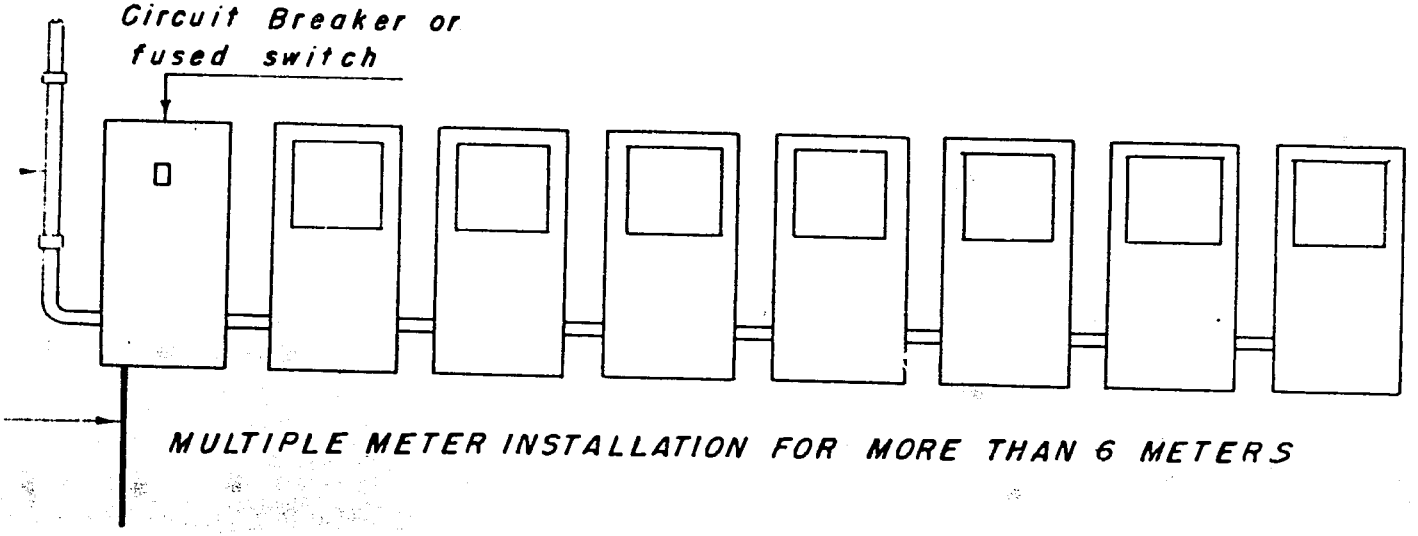
CONNECTED TO SINGLE SET OF MAIN SERVICE CONDUCTORS


Contractor shall leave sufficient cable at top of conduit to complete vertical run to the secondary mains without use of additional wire
METER
WATERPROOF SEAL AT TOP OF CONDUIT
(A) — APPROVED CONDUIT 29mm MIN SIZE
SIDEWALK STREET OR DRIVEWAY
CONDUIT TO BE EFFECTIVELY GROUNDED AND SEALED ON CUSTOMER'S PREMISES
SECONDARY SERVICE CONNECTION
Conduit shall be connected to standard ground rod driven full length into ground
OVERHEAD - UNDERGROUND
USING BURIED CABLE
(A)
PITCH CONDUIT AWAY FROM BUILDING AND SEAL
(A)
PITCH CONDUIT AWAY FROM POLE


METER
Contractor shall have sufficient coble at top of conduit to com. plete vertical run to the secon_ dory mains without use of additional wire
Waterproof seal at top of conduit
A
APPROVED CONDUIT _ 29mm, MIN SIZE
ALL JOINTS TO BE WATERPROOFED
Conduit to be effectively grounded and sealed on cu_ stomer's premises
SECONDARY SERVICE CONNECTION
OVERHEAD - UNDERGROUND
USING CABLE IN CONDUIT
A
VII
VII



MULTIPLE METER INSTALLATION UP TO 6 METERS



MULTIPLE METER INSTALLATION FOR MORE THAN 6 METERS

SECONDARY SERVICE EQUIPMENT ARRANGEMENT

VIII

APPENDIX H

ACQUISITION OF EXISTING FACILITIES

A P P E N D I X H

Acquisition of Existing Facilities

1. It is recommended that the terms and conditions on which the Public Power Corporation or an approved Distributing Agency should acquire from existing owners all electric distribution facilities in the distribution area of the approved Distributing Agency, which the Public Power Corporation shall determine to be capable of supply "according to the rules of private economy" as outlined below.

2. To the extent that such existing electric distribution facilities which the Public Power Corporation shall determine to be capable of supply "according to the rules of private economy" are owned by existing utilities, public or private, which become part, or bind themselves effectively to become part, of an approved Distributing Agency, ownership of such facilities should be transferred to the Public Power Corporation or the approved Distributing Agency free and clear of all mortgage and other encumbrances (except as may be approved by the Public Power Corporation) upon payment of the reasonable purchase price as approved by the Public Power Corporation in cash and/or in securities of the approved Distributing Agency in such proportions as may be agreed upon between the existing agencies and the Public Power Corporation or the approved Distributing Agency.

3. The reasonable purchase price of such existing distribution facilities, owned by an existing utility that becomes part or binds itself effectively to become part of an approved Distributing Agency should be an amount corresponding with the price of redemption at which the Municipality or Community (or the PPC in case the purchase rights of the Municipality or Community have devolved upon it) has the right to acquire the facilities in accordance with the terms of the applicable concession, if any such terms are applicable. If no such terms are applicable, because they are not stated in the concession, or because the concession has not been terminated or because the prescribed period of time between the beginning of operations and the first right of purchase under the concession has not elapsed, then such reasonable purchase price should be an amount corresponding with the equitable application of the appropriate provisions of Law 2979/22, and the Presidential Decree dated 3rd July, 1930, without regard for the time limitations on the right of purchase by the Municipality or Community.

Provided, however, that in the case of facilities operated under a simple license which has been terminated, for which, technically, no compensation may be payable, but which the owner would be obligated to remove within three months for the termination of the concession, the owner should be given the option of removing his facilities, or of transferring them to the Public Power Corporation or the approved Distributing Agency in return for payment of a reasonable purchase price equitably determined in the manner previously stated.

4. In the application of the provisions of existing concessions, and the provisions of Law 2979/22 and the Presidential Decree dated 3rd July, 1930, defining the redemption price of facilities acquired by Municipalities and Communities in terms of net costs of installation, the adjustment coefficients prescribed by law for the adjustment of corporate balance sheets should be used.

5. To the extent that such existing facilities which the Public Power Corporation shall determine to be capable of use "according to the rules of private economy" are owned by existing utilities, public or private, which do not become part, or do not bind themselves effectively to become part, of an approved Distributing Agency, the Public Power Corporation or the approved Distributing Agency should offer to purchase such facilities. If the owner is willing to sell, the Public Power Corporation or the approved Distributing Agency should negotiate for the purchase of such facilities, free and clear of all mortgage and other encumbrances (except as may be approved by the Public Power Corporation) by payment of the reasonable purchase price as approved by the Public Power Corporation in cash and/or in securities of the approved Distributing Agency, in such proportions as may be agreed upon between the existing utilities and the Public Power Corporation or the approved Distributing Agency.

6. The reasonable purchase price of such distribution facilities, owned by an existing agency which does not become part, or does not bind itself effectively to become part, of an approved Distributing Agency should be such amount as may be agreed upon between the existing agency and the Public Power Corporation or the approved Distributing Agency, provided that it should not exceed the amount that would be paid if the existing agency became part, or bound itself effectively to become part, of the approved Distributing Agency as defined in paragraphs 3 and 4 of this Appendix;

and provided further that no compensation should be paid for any facilities which have been operated under a simple license which has been terminated, and that the owner of any such facilities who does not become or does not bind himself effectively to become part of the approved Distributing Agency should be required to remove his facilities within three months of the termination of the concession.

7. Before any existing distribution facilities are transferred to or purchased by the Public Power Corporation or any approved Distributing Agency, the Public Power Corporation should conduct an investigation and make a determination as to whether or not such facilities are usable "according to the rules of private economy" - i.e. whether the area served by such facilities will provide a volume of business at uniform rates throughout the approved distribution area in which they are located to pay the cost of such services without adding unduly to the cost of service in other portions of the approved distribution area. Every such determination should be in writing and should be accompanied by an opinion in which the facts and estimates upon which such determination is based should be stated.

8. For the purpose of negotiating for the purchase of existing distribution facilities and/or approving or disapproving the reasonable purchase price of any such facilities, the Public Power Corporation should have free access for auditing purposes to all pertinent books, accounts, vouchers, invoices and other records relating to the cost of installation of such facilities.

9. In cases where existing Distributing Agencies own hydroelectric or diesel generating facilities capable of producing 50 cycle alternating current, the Public Power Corporation or the approved Distributing Agency should acquire such facilities for reserve purposes, and in the case of hydroelectric plants for the production of such kilowatt-hours as they could supply, on the same conditions and terms as the existing distribution facilities. Where existing Distributing Agencies own hydroelectric or diesel generating facilities capable of producing only direct current, however, such facilities should not be purchased but the Public Power Corporation should lend its assistance to the owners of such existing utilities as become part, or bind themselves effectively to become part, of an approved Distributing Agency so as to effect the redistribution of such direct current generating equipment to service on the islands or otherwise.

APPENDIX I

AGREEMENT IN REGARD TO THE DISTRIBUTION OF ELECTRICITY

APPENDIX I

Agreement In Regard to The Distribution of Electricity

This Agreement is made by and between the Government of the Kingdom of Greece, represented by the Minister of Industry, hereinaster referred to as "Government," and _____, represented by _____ _____, hereinafter referred to as "Concessionaire."

Whereas, Concessionaire has been selected by Public Power Corporation, hereinafter referred to as "PPC", as its approved Distributing Agency for the distribution and sale of PPC power in the following described area:

Whereas, PPC and Concessionaire have entered into an Agreement in this regard dated _____, which Agreement by its terms is not to become operative until such time as Concessionaire has been granted a privileged license by Government for the distribution and sale of electricity in said area.

Now therefore, Government and Concessionaire covenant and agree as follows:

Article 1

1. Government hereby grants to Concessionaire for a period of 20 years the exclusive privilege of distributing and selling electricity and of constructing the necessary lines and facilities for distributing electricity for lighting, domestic, commercial, agricultural, industrial, and all other purposes to private, public, industrial and every other type of consumer in the aforementioned area. This privilege is subject only to the rights of holders of existing privileged licenses in the above area. Upon termination of such conflicting rights, the exclusive privilege of Concessionaire shall automatically be extended to the areas formerly encompassed by these terminated privileged licenses.

2. Government retains the right to grant simple licenses for the generation and distribution of electricity for a period of up to five years in outlying locations which the Concessionaire has determined, cannot be initially served by Concessionaire according to the rules of private economy.

Article 2

1. The objectives of Concessionaire are acknowledged to be of public utility. Concessionaire shall be entitled to acquire, either temporarily of permanently, by compulsory expropriation or otherwise any lands and real estate rights of any nature required for its objectives. Such expropriations shall be carried out by a decision of the Minister of Industry published in the Government Gazette and issued on the advice of Concessionaire. With respect to all other matters concerning said expropriations the provisions of C.L.1731/39, as subsequently amended, with the exception of paragraph 4 of Article 2, shall apply.

2. Concessionaire shall be entitled without cost to use public, municipal and communal roads, squares, railways, tramways, bridges, as well as any other property of such public, municipal or communal bodies for the installation on, under, above, or along same of electric power lines, towers and poles as well as for the maintenance and repair of such installations. Concessionaire shall however be obliged to restore the roads, squares, etc. to their former condition, provided of course there shall be no obligation to remove the aforementioned permanent installations erected by Concessionaire.

Article 3

Concessionaire's construction and operational standards, Concessionaire's accounting and reports, the rates to be charged by Concessionaire and the obligations and methods of Concessionaire with respect to supply of electrical service shall be governed by the decisions and regulations of the Ministry of Industry, but no decision or regulation of the Ministry of Industry shall be construed as requiring Concessionaire to in any way violate the aforementioned Agreement with PPC or the regulations of PPC issued in pursuance thereof.

Article 4

This Agreement and the exclusive privileges accorded herein shall be irrevocable by Government for the period mentioned in Article 1, except in the event of the prior termination of the aforementioned Agreement with PPC without any renewal or extension thereof or in the event of a breach of this concession Agreement by Concessionaire if such breach is not remedied after 60 days written notice from the Ministry of Industry.

Article 5

The Public Power Corporation shall have the right to purchase the property and facilities of the Concessionaire at the expiration of twenty years from the date stipulated in Article 6 and every five years thereafter on one year's notice on each occasion.

The price at which such purchase shall be made, shall be the actual cost of such property and facilities to Concessionaire, as recorded in the accounts of the Concessionaire in accordance with the accounting regulations of and subject to audit by the Public Power Corporation, with such adjustment by the application of multipliers as may be hereafter provided by law, minus the amount of reserves for depreciation and amortization applicable thereto, similarly adjusted and subject to similar audit.

In case of disagreement as to the amount payable upon such purchase of property and facilities in accordance herewith, either Concessionaire or Public Power Corporation shall have the right to have the matter determined by arbitration in accordance with the provisions for arbitration of disputes contained in the aforementioned Agreement with PPC.

Article 6

This Agreement and the privileges accorded herein shall be in force from the date of publication in the Government Gazette of a Royal Decree ratifying this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement through their duly authorized representatives on the

_____ day of _____ 195____ in the City of Athens.

Witnesses as to Signature of: GOVERNMENT OF THE KINGDOM OF GREECE

_____ By _____

_____

Witnesses of the Signature of:

_____ _____

_____ _____

APPENDIX J

ADDITIONS AND AMENDMENTS TO PUBLIC POWER CORPORATION LEGISLATION

A P P E N D I X J

Additions and Amendments to Public Power Corporation Legislation

This Appendix summarizes the recommended additions and amendments to existing legislation affecting the Public Power Corporation that are believed to be necessary in order to carry out the plans for distributing electricity outlined herein.

These amendments and additions are as follows:

1. Repeal Item 3 of Article 1 of C. L. 1672 (ratified by Law 2113/52).

It is believed that this change will remove the erroneous impression that the Public Power Corporation would exercise regulatory powers over all existing electric enterprises, whether they purchase power at wholesale from the Public Power Corporation or an approved Distributing Agency or not. This will clear the way for a better understanding and acceptance of the obligation of the Public Power Corporation to exercise certain regulatory functions by contract over Distributing Agencies that purchase power at wholesale for resale, either from the Public Power Corporation or from an approved Distributing Agency.

2. Amend Item 2 of Section B, paragraph 1 of Article 1 of C. L. 1672 (ratified by Law 2113/52) to read as follows:

> "2. (a) This privilege is limited to the extent of such commitments of the State, as emanate from concession agreements regarding production, transmission and distribution of electric power, already concluded with third parties and being now in operation. Upon the expiration, however, or the termination for any cause or reason of said agreements, the privilege of the Public Power Corporation is ipso jure extended to the areas served by the concessionaires. No extension of said agreements shall be valid without the approval of PPC. Purchase rights belonging to the State, Municipalities or Communities and deriving from existing concession agreements with third parties, for production, transmission and distribution of electric power, devolve, as from the enactment of this law, upon the Public Power Corporation."

This amendment provides for the devolution upon the Public Power Corporation of purchase rights under concessions heretofore belonging to municipalities and communities, as well as those heretofore belonging to the State. It will also protect the interests of the Public Power Corporation in such concessions on their termination, and in such purchase rights by prohibiting any extension of such agreements without the approval of the Public Power Corporation. This change is believed to be necessary in order to carry out the plans for distributing electricity outlined herein.

3. Include a new Article in the proposed new law, reading as follows:

"Article _____

"1. The period stipulated in paragraph B of Section 1 of Law 1468/50, said paragraph being added by C. L. 1672 as ratified by Law 2113/52, during which the State may concede to municipalities, communities, cooperatives and private enterprises the exercise of the distribution privilege of PPC provided PPC does not intend to exercise such privilege, is increased from 20 years to 30 years.

"2. The responsibility for the distribution of PPC power to ultimate consumers shall be vested in local public or private agencies in areas where such agencies are economically able in PCC's judgment to undertake this responsibility in accordance with the distribution policies and regulations of PPC. Wherever the word 'public' is used in this Article, it shall be construed to refer to municipalities and communes as well as the State. The basis of selection by PPC of such agencies, hereinafter sometimes referred to as an 'approved Distributing Agencies,' and the terms under which PPC shall sell power to such agencies, shall be regulated by regulations issued in accordance with Article 34 of the Royal Decree of January 28, 1951.

"3. The approved Distributing Agency must be the holder of a privileged license issued by the Ministry of Industry after certification by PPC of its selection as an approved Distributing Agency and after a written agreement has been entered into by and between such agency and PPC embodying the terms and conditions under which electric power is to be sold by PPC to such agency. The license and the license

agreement executed by and between the approved Distributing Agency and the Ministry of Industry shall contain the following special terms and conditions in addition to such other provisions as the Ministry of Industry and PPC may deem advisable and approve:

(a) If such agency is a private corporation or cooperative, the properties and rights of such agency are to devolve on and belong to PPC on termination of the license upon payment of compensation stipulated in the license agreements.

(b) Such agency shall be entitled to exercise and enjoy the exclusive privilege of distributing and selling electric power and of constructing the necessary lines and facilities for distributing electric power for lighting, domestic, commercial, agricultural, industrial and all other purposes to private, public, industrial and every other type of consumer in the area stipulated and allotted to it in the license agreement. This privilege shall be subject only to the rights of holders of existing privileged licenses in the aforementioned stipulated area. Upon termination of such conflicting rights, the exclusive privilege of the approved Distributing Agency shall automatically be extended to the areas formerly encompassed by these terminated privileged licenses.

(c) The Ministry shall retain the right to grant simple licenses for the generation and distribution of electricity for a period of up to five years in outlying locations which such agency has determined, cannot be initially served by such agency according to the rules of private economy.

(d) Such agency shall be entitled to acquire by compulsory expropriation or otherwise, either temporarily or permanently, any lands and real estate rights of any nature required for its objectives. Such expropriations shall be carried out by a decision of the Minister of Industry published in the Government Gazette and issued on the advice of such agency. With respect to all other matters concerning said expropriations the provisions of C. L. 1731/39, as subsequently amended, with the exception of paragraph 4 of Article 2, shall apply.

(e) Such agency shall be entitled without cost to the public, municipal and communal roads, squares, railways, tramways, bridges, as well as any other property of such public, municipal or communal bodies for the installation on, under, above, or along same of electric power lines, towers and poles as well as for the maintenance and repair of such installations. Such agency shall however be obliged to restore the roads, squares, etc. to their former condition, provided of course there shall be no obligation to remove the aforementioned permanent installations erected by such agency.

(f) Such agency's construction and operational standards, such agency's accounting and reports, the rates to be charged by such agency and the obligation and methods of such agency with respect to supply of electrical service shall be governed by the decisions and regulations of the Ministry of Industry, but no decision or regulation of the Ministry of Industry shall be construed as requiring such agency to in any way violate the above-mentioned agreement with PPC and the regulations of PPC issued in pursuance thereof.

(g) The license shall be irrevocable for a period of 30 years, except in the event of the prior termination without renewal or extension of the above-mentioned agreement between PPC and such agency or in the event of a breach of the license agreement by such agency if such breach is not remedied after 60 days written notice from the Ministry of Industry.

"4. Presidential Decree dated August 3, 1930 and Article 5 of Law 2979/22 shall not apply to such privileged licenses and license agreements. Furthermore, no other provision in Law 2979/22 or in standing legislation shall apply in case such provisions shall in any way conflict with the provisions of this Article.

"5. Such privileged license agreements must be ratified by a Royal Decree to be issued at the instance of the Minister of Industry, in order to be valid, and shall be in force as of their promulgation in the Government Gazette.

"6. Upon termination of such privilege licenses, the exclusive privileges accorded thereby shall immediately revert to PPC."

4. Include a new article in the proposed new law reading as follows:

"Article _____

"PPC shall have authority to make loans from any of its funds to existing utilities and also to such other Distributing Agencies or power enterprises as may be created for distributing PPC power. The purposes for which such loans may be granted as well as the procedure and terms thereof shall be determined by regulations of the Board of Directors of PPC issued in accordance with Article 34 of the Royal Decree of January 28, 1951."

It is believed that this addition is necessary to clarify the power of the Public Power Corporation to make loans to the proposed approved Distributing Agencies, as well as to existing enterprises, and in order to carry out the plans for distributing electricity outlined herein.

5. Include a provision in the proposed new law reading as follows:

"The provisions of C. L. 1910/51 shall not apply in case the privileges and rights of the Public Power Corporation are affected by same."

Amend paragraph . of Law 4547/1930 by changing "8000 volts" to read "16,500 volts."

This amendment is believed necessary to bring Law 4647/1930 up-to-date and to correspond with the standards of construction being adopted by the Public Power Corporation and its approved Distributing Agencies.